

**SCHOOL DISTRICT
OF
TOWNSHIP OF COMMERCIAL**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

of the

Township of Commercial Board of Education

Port Norris, New Jersey

For the Fiscal Year Ended June 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

Township of Commercial Board of Education

Port Norris, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

Commercial Township Board of Education

Finance Department

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OF THE COMMERCIAL TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION



COMMERCIAL TOWNSHIP SCHOOL DISTRICT

Jean Smith

Superintendent/Principal

John Lavell

Supervisor of CTS/Special Services

Darren Harris

Business Administrator

Kerri Zeleniak

Assistant Principal

December 11, 2024

Honorable President and
Members of the Board of Education
Commercial Township School District
Cumberland County, New Jersey

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Commercial Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Commercial Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with a June enrollment of 471 students, which is 9 more than the previous year enrollment. The following details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023-24	471	1.95%
2022-23	462	(1.28)%
2021-22	468	2.63%
2020-21	456	(9.47)%
2019-20	507	(6.28)%
2018-19	541	2.00%
2017-18	530	(5.00)%
2016-17	558	(2.45)%
2015-16	572	.88%
2014-15	567	(2.07)%

2. ECONOMIC CONDITION AND OUTLOOK:

Commercial Township continues to be an economically depressed area, which continues to experience limited growth residentially and industrially. It is safe to say that this pattern shall continue.

3. MAJOR INITIATIVES:

In 2024 the NJDOE identified the Commercial Township School as a school in need of comprehensive improvement. The NJDOE Office of Comprehensive Support has supported the District's work to create annual school plans that are intended to ameliorate programs, curriculum, and instruction. The District's annual school plans have consistently identified goals and targets to raise the achievement level of all students, particularly in the critical areas of language arts literacy, mathematics, and social/emotional learning.

Curriculum - The District continues to model the CAR curriculum. The District gained access to an exemplary framework for curricular development and resources to work through the process of revising curricula to align with the NJSLS through Professional Learning Community (PLC) groups. The work and process is sustained by the leadership team and the PLC groups.

3. MAJOR INITIATIVES (CONTINUED):

The District's teachers are in the process of revising the District ELA curriculum since we adopted the new Amplify Language Arts program. The revision of the Math curriculum is complete with updates of the newly adopted Math Standards. The work is on-going, and the focus for the 2024-2025 school year is to add:

- essential questions
- modifications
- assessments
- interdisciplinary connections including career-ready practices and 21st-century themes and skills

Instruction

- Amplify CKLA (Core Knowledge Language Arts) Grades K-8
- monitor ELA NJSLS progress
- use data to drive ELA instruction
- use specific, mathematical language and leverage Word Walls
- use representations to teach mathematical concepts
- use number lines to teach mathematical concepts
- use word problems in tier-one instruction
- develop standards-aligned formative assessments that require responses in prose format
- facilitate high-quality tier-one instruction for all students
- provide student-centered, differentiated instruction around grade-level standards
- provide instruction in the least restrictive environment
- incorporate components of the Marzano Focused Model for effective instruction

Programs/Resources/Other Related Initiatives

- leverage schoolwide Positive Behavior Support PAWS program
- provide education for students about conflict resolution
- utilize Link-it Benchmark Assessments and other district data to measure individual student growth as well as the efficacy of programs
- continue to utilize all the components in Tools of the Mind curriculum for Preschool
- use the Early Childhood Environment Rating Scale (ECERS) to guide the Preschool program
- school-wide use of PBSIS program and initiatives

Child Study Team and Related Services - The District expanded its inclusion programs in order to serve students with special needs in the least restrictive environment. Three support teachers provide tier-two instruction in language arts and math.

3. MAJOR INITIATIVES (CONTINUED):

Technology - Google Classroom is an all-in-one platform for students, parents, and staff to interact in a virtual environment. Through Google Classroom, teachers deliver class materials, assessments, feedback, grades, and other supports in one location. Students access learning materials/resources, submit assignments digitally, review feedback, monitor grades, participate in synchronous discussions, and receive other information and announcements. The District uses GoGuardian for filtering, monitoring, and keeping students scholarly while online.

Technology Device Upgrades - The District issues Chromebooks to students in grades 1-8 to use at school for instruction.

Marzano Focused Teacher Evaluation - Commercial Township School District uses the Marzano Focused Teacher Evaluation model. This revised model supports standards-based learning, research-based practices, effective strategies, common language, and taxonomy levels to drive instruction. District goals and professional development are linked to the evaluation model. Goals for the 2024-2025 school year include closing the achievement gaps in language arts and math, infusing social and emotional learning that results in a resilient school community, and integrating technology meaningfully.

The Marzano Focused Teacher Evaluation Model is used to guide observers to identify areas of effective teaching as they observe individual staff in the classroom setting. Each teacher's practice is evaluated in the same manner and the teacher is provided feedback to enhance further teaching and learning.

Staff not subject to mSGP receive a summative score weighted as follows:

- 15% - Student Growth Objectives
- 85% - Teacher Practice

Staff subject to mSGP receive a summative score weighed as follows:

- 5 % - mSGP
- 70% - Teacher Practice
- 25 % - Student Growth Objectives

Transportation - The district provides its own transportation through its transportation department, leased buses, and a shared service coordinator for the 2024-2025 school year. The drive shortage has impacted the District, but the District has been innovative in using special funding to pay for driver training as a way to recruit and retain drivers. The District leases buses to save on the cost of contracted routes and transportation for both field trips and all after school activities.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

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

5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

At June 30, 2024, the School District had \$5,295,760 as outstanding debt. Of this amount, \$792,223 is for compensated absences and the balance of \$2,840,000 is for refunding bonds dated April 28, 2022. The District also reported a Net Pension Liability of \$1,625,425 in accordance with GASB #68 and Right-to-Use Liability of \$38,112.

At June 30, 2024, the School District's overall legal debt margin was \$8,261,528 and the unvoted debt margin was \$5,421,528, or 66% of the total amount permitted by statute.

8. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed 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 Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Commercial Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, and P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

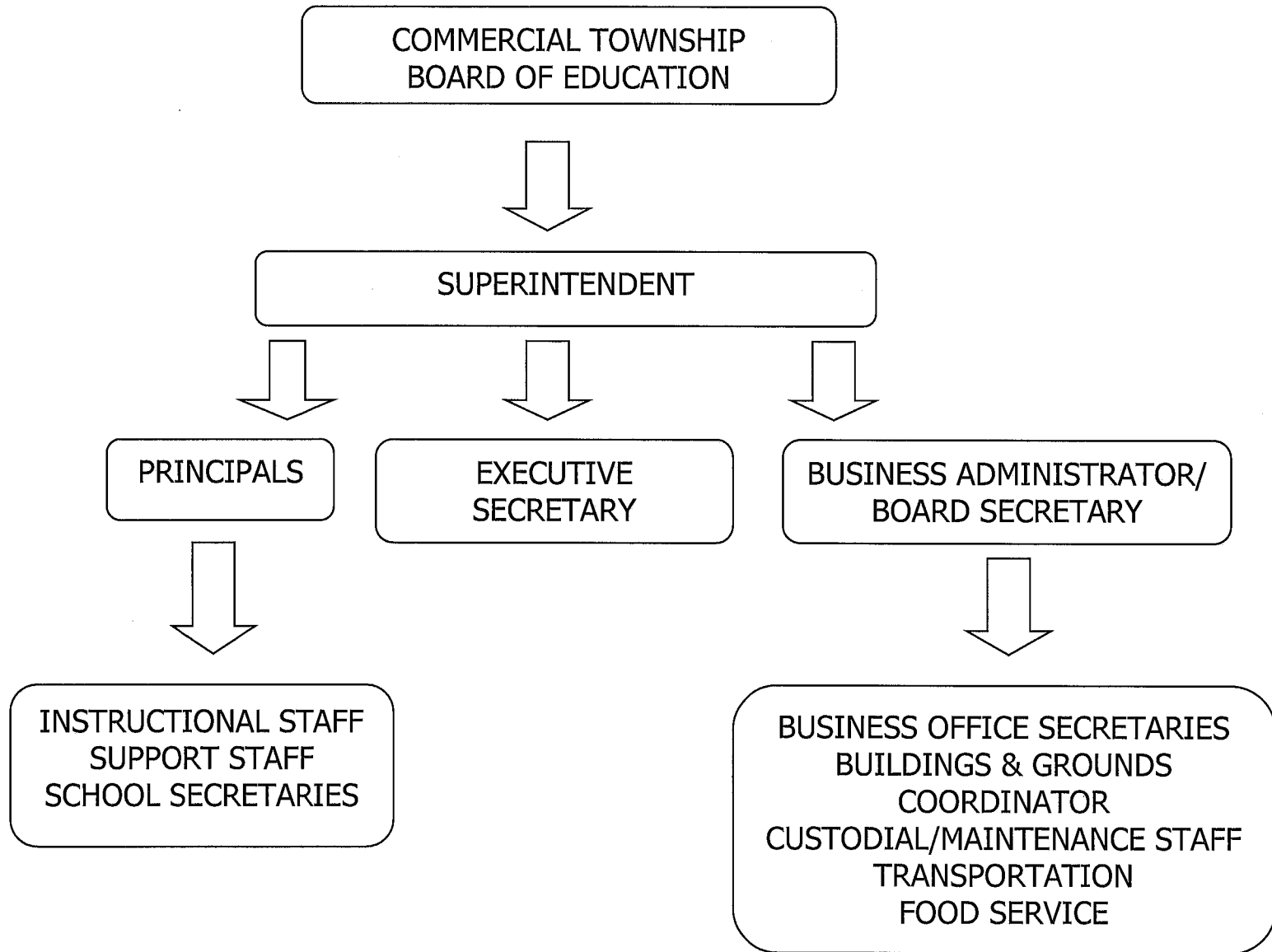
Jean Smith

Jean Smith, Superintendent/Principal

Darren Harris

Darren Harris, School Business Administrator/Board Secretary

COMMERCIAL TOWNSHIP PUBLIC SCHOOLS ORGANIZATION CHART



COMMERCIAL TOWNSHIP BOARD OF EDUCATION
PORT NORRIS, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2024

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Sharon Porter, President	2026
Stacy Wilson-Smith, Vice President	2026
Janet Campbell	2026
Tracy Richardson	2024
Carol Perrelli	2025
Karen Stormes-Rivera	2025
Jessica Driver	2025
LaRae Smith	2026
Heather Whitaker	2024
<u>OTHER OFFICIALS</u>	<u>Bond Amount</u>
Kristin Schell, Superintendent/Principal (through June 30, 2023)	
Jean Smith, Acting Superintendent	
Darren Harris, Board Secretary	\$ 100,000
Jonathan M. Busch, Solicitor	

TOWNSHIP OF COMMERCIAL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Manders Merighi Portadin Farrell Architects, LLC
1138 East Chestnut Avenue
Vineland, New Jersey 08360

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
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Williamstown, NJ 08094

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Jonathan M. Busch
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Metuchen, NJ 08840

OFFICIAL DEPOSITORY

Branch Banking & Trust
4943 Landis Ave
Vineland, NJ 08360

INSURANCE AGENCY

The Hardenbergh Insurance Agency, Inc.
1000 Plaza at Main Street
Voorhees, NJ 08043

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, of the Board of Education of the Commercial Township School District in the County of Cumberland, State of New Jersey, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

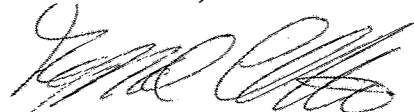
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024 on our consideration of the Commercial Township School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commercial Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Commercial Township School District's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
December 11, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
COMMERCIAL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

UNAUDITED

The discussion and analysis of Commercial Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- ❖ General revenues accounted for \$13,450,471 in revenue or 76.3% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,170,520 or 23.7% of total revenues of \$17,620,991.
- ❖ Total Net Position of governmental activities was \$7,070,585.
- ❖ The School District had \$16,624,102 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$4,170,520 mentioned above in arriving at the net governmental activity expenses of the district. General revenues comprising federal and state aid of \$11,049,098, property taxes of \$2,357,897 and other miscellaneous revenues and adjustments of \$43,476 were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$13,406,683 in revenues, \$13,254,193 in expenditures and other financing use reductions of \$303,889. The General Fund's balance decreased \$151,399 over 2024. This decrease was anticipated by the Board of Education.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Commercial Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Commercial Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are two school buildings maintained by the District, which are the Port Norris Middle School and the Haleyville Elementary School.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 25. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The Food Service fund is the only enterprise fund maintained by the district.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities. Table 1 provides a comparative summary of the School District's Net Position for the years ended in 2023 and 2024.

Table 1
Net Position

	2024	2023
Assets		
Current and Other Assets	\$ 5,823,861	\$ 7,873,887
Capital Assets, Net	9,377,947	7,384,362
Total Assets	15,201,808	15,258,249
Deferred Outflows of Resources		
Deferred Pension Outflows	208,663	419,324
Liabilities		
Long-term Liabilities	5,295,760	5,616,039
Other Liabilities	2,362,421	3,074,417
Total Liabilities	7,658,181	8,690,456
Deferred Inflows of Resources		
Deferred Pension Inflows	435,491	667,207
Net Position		
Invested in Capital Assets, Net of Debt	7,154,964	4,931,104
Restricted	3,120,042	4,164,309
Unrestricted (Deficit)	(2,958,207)	(2,775,503)
Total Net Position	\$ 7,316,799	\$ 6,319,910

Table 2 shows the changes in Net Position from fiscal year's 2024 and 2023.

Table 2
Changes in Net Position

	<u>2024</u>	<u>2023</u>
Revenues		
Programs Revenues		
Charges for Services	\$ 28,069	\$ 40,002
Operating Grants and Contributions	4,142,451	3,591,840
General Revenues		
Property Taxes	2,357,897	2,308,034
Grants and Entitlements	11,049,098	10,067,324
Other	43,476	59,544
	<u> </u>	<u> </u>
Total Revenues	\$ 17,620,991	\$ 16,066,744
	<u> </u>	<u> </u>
Program Expenses		
Instruction	\$ 4,530,145	\$ 4,233,614
Support Services		
Tuition	3,613,147	3,242,440
Pupils and Instructional Staff	1,369,989	1,342,906
General Administration, School		
Administration, Business Admin	752,635	786,159
Operations and Maintenance of Facilities	1,115,652	1,007,017
Pupil Transportation	1,338,275	1,111,297
Employee Benefits	2,590,395	2,581,929
Interest on Debt	151,354	96,231
Enterprise Funds	430,682	487,613
Other	731,828	540,695
	<u> </u>	<u> </u>
Total Expenses	\$ 16,624,102	\$ 15,429,901
	<u> </u>	<u> </u>
Increase/(Decrease) in Net Position	\$ 996,889	\$ 636,843
	<u> </u>	<u> </u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$17,620,991 in total governmental revenues for the fiscal year ended June 30, 2024, property taxes made up 13.4% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 86.2% and other revenues made up 0.4%. The total cost of all programs and services was \$16,624,102, of which the amount spent on governmental activities was \$12,461,282 and of this amount, Instruction comprised 20.8%.

Governmental Activities (Continued)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

	<u>Total Cost of Services 2024</u>	<u>Net Cost of Services 2024</u>	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>
Instruction	\$ 4,530,145	\$ 2,597,879	\$ 4,233,614	\$ 2,391,767
Support Services				
Tuition	3,613,147	3,613,147	3,242,440	3,242,440
Pupils and Instructional Staff	1,369,989	717,638	1,342,906	1,042,186
General Administration, School				
Administration, Business Admin	752,635	752,635	786,159	786,159
Operation and Maintenance of Facilities	1,115,652	1,115,652	1,007,017	1,007,017
Pupil Transportation	1,338,275	1,338,275	1,111,297	1,111,297
Employee Benefits	2,590,395	1,442,874	2,581,929	1,626,990
Interest and Fiscal Charges	151,354	151,354	96,231	96,231
Other	731,828	731,828	540,695	540,695
Total Expenses	<u>\$ 16,193,420</u>	<u>\$ 12,461,282</u>	<u>\$ 14,942,288</u>	<u>\$ 11,844,782</u>

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School district which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Business-Type Activities

Revenues for the District's business-type activities (food service program and extended day program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service revenues exceeded expenses by \$7,700.
- ❖ The General Fund did not subsidize the food service operation in 2023-2024.
- ❖ Charges for services in the food service fund were \$12,494 of revenue. This represents amount paid by patrons for daily food services or 2.9% of the revenue in the food service fund. There were no service charges in the Extended Day program for the year.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$425,888, which represents 97.1% of the revenue.

The School District's Funds

Information about the School District's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$18,237,069 and expenditures of \$19,393,033. The net negative change in fund balance for the year was \$1,320,151, there were no prior period adjustment relating to GASB #84. The School District was able to meet current operating costs during the current fiscal year.

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 schedules present a summary of the revenues of the governmental funds (including capital projects fund expenditures) for the fiscal year ended June 30, 2024, and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2023</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 2,565,069	14.1%	\$ 136,153	5.9%
State Sources	12,169,736	66.7%	515,474	4.3%
Federal Sources	3,502,264	19.2%	1,475,389	90.9%
Total	<u>\$ 18,237,069</u>	<u>100.0%</u>	<u>\$ 2,127,016</u>	<u>13.4%</u>

The School District's Funds (Continued)

The increase in Local Sources is attributed to increases in local tax levy of \$49,863 and rent revenue of \$167,667, offset by a decrease in tuition of \$200, interest revenue of \$7,358, and miscellaneous local sources of \$73,819.

The net increase in State Sources is attributed to various general fund state aid and various other grants.

The increase in Federal Sources is attributed to net increases in various grant awards totaling \$1,475,389.

The following schedule presents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2024.

Table 5

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2023	Percent Increase (Decrease)
Current:				
Instruction	\$ 4,530,145	23.4%	\$ 296,531	7.4%
Undistributed Expenditures	11,792,191	60.8%	912,529	8.8%
Capital Outlay	2,731,282	14.1%	488,737	33.4%
Debt Service:				
Principal	220,000	1.1%	220,000	95.7%
Interest	119,415	0.6%	30,851	596.2%
Total	<u>\$ 19,393,033</u>	<u>100.0%</u>	<u>\$ 1,948,648</u>	<u>12.1%</u>

The increase in Current – Instruction is attributed to increases in regular instruction of \$311,910, and special education instruction of \$5,402, offset by decreases in other instruction of \$4,071 and other special education instruction of \$16,710.

The increase in Current – Undistributed Expenditures is attributed to increases in various line items totaling \$912,529.

The increase in capital outlay is attributed to increases in capital projects and construction service costs of \$488,737.

The increase in debt service is attributed to increased interest of \$30,851 and principal of \$220,000.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2024, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual decrease in fund balance of \$182,799.

- ❖ Actual revenues were \$147,407 more than expected, excluding On-Behalf pension and social security state aid of \$1,940,262, due primarily to miscellaneous revenue.
- ❖ The actual expenditures were \$775,313 less than expected, which excluded the effects of state On-Behalf pension and social security aid of \$1,940,262, partially offset by favorable variances in various budget appropriations.

Capital Assets

At the end of the fiscal year 2024, the School District had \$9,377,947 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2024.

Table 6
Capital Assets (Net of Depreciation) at June 30

	<u>2024</u>	<u>2023</u>
Land	\$ 14,877	\$ 14,877
Land Improvements	1,571,279	1,724,051
Building and Improvements	6,773,100	4,574,759
Equipment	987,560	1,028,619
Right-to-Use Lease Assets	31,131	42,056
Totals	<u>\$ 9,377,947</u>	<u>\$ 7,384,362</u>

Overall capital assets increased \$1,993,585 from fiscal year 2023 to fiscal year 2024. Increases in capital assets of \$2,728,277 were offset by depreciation expense of \$734,692.

Debt Administration

At June 30, 2024, the School District had \$5,295,760 as outstanding debt. Of this amount, \$792,223 is for compensated absences and the balance of \$2,840,000 is for refunding bonds dated April 28, 2022. The District also reported a Net Pension Liability of \$1,625,425 in accordance with GASB #68 and Right-to-Use Liability of \$38,112.

At June 30, 2024, the School District's overall legal debt margin was \$8,261,528 and the unvoted debt margin was \$5,421,528, or 66% of the total amount permitted by statute.

For the Future

Commercial Township School District's future is positive and bright. Over the past three years, the Commercial Township School District has identified multiple students out of district in special education programs that may benefit from the provision of programming within their resident schools. With the cost savings from decreased tuition expenditures and special transportation services, we are able to meet the needs of our most exceptional children in a less restrictive environment. These programs not only meet the needs of our students, but offer a cost effective option for special education placements to other local school districts, while serving as a revenue source for Commercial Township Schools.

During the budget process, it was a concern to the Administration and Board of Education how future budgets would be financed. Therefore, the Board of Education and Administration are constantly looking at ways to decrease spending while continuing to provide the best possible education for our students. With a declining enrollment the District closed the Port Norris Middle School and opened the Commercial Township School (formerly Haleyville-Mauricetown Elementary School) as a Pre-k through 8 facility. The consolidation of the schools has led to some significant financial savings and these savings were used to address some facilities projects at the Commercial Township School.

Commercial Township is primarily a residential community, with very few ratables and the burden is, therefore, focused on homeowners to absorb the cost through higher taxes. With a free and reduced population of 75%, our students need to be afforded the same opportunities as their peers throughout the state.

In conclusion, the Commercial Township School District has committed itself to responsible fiscal management and plans to continue to meet the challenges of the future. In addition, the School District's system for financial planning, budgeting, and internal financial controls are maintained in accordance with state statutes.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Darren Harris, Business Administrator at Commercial Township Board of Education, Port Norris, N.J.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 102,948	\$ 202,620	\$ 305,568
Receivables, Net	3,995,528	20,871	4,016,399
Inventory		4,776	4,776
Restricted Cash and Cash Equivalents	1,497,118		1,497,118
Capital Assets, Net (Note 5):	9,357,464	20,483	9,377,947
Total Assets	<u>14,953,058</u>	<u>248,750</u>	<u>15,201,808</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	<u>208,663</u>		<u>208,663</u>
LIABILITIES			
Accounts Payable	482,231		482,231
Accrued Interest	37,596		37,596
Unearned Revenue	1,840,058	2,536	1,842,594
Non-current Liabilities (Note 6):			
Due Within One Year	10,488		10,488
Due Beyond One Year	5,285,272		5,285,272
Total Liabilities	<u>7,655,645</u>	<u>2,536</u>	<u>7,658,181</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	<u>435,491</u>		<u>435,491</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	7,134,481	20,483	7,154,964
Restricted for:			
Unemployment Compensation	126,291		126,291
Scholarships	24,306		24,306
Student Activities	12,168		12,168
Capital Projects	75,884		75,884
Other Purposes	2,881,393		2,881,393
Unrestricted (Deficit)	<u>(3,183,938)</u>	<u>225,731</u>	<u>(2,958,207)</u>
Total Net Position	<u>\$ 7,070,585</u>	<u>\$ 246,214</u>	<u>\$ 7,316,799</u>

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,941,525	\$	\$ 1,932,266	\$ (2,009,259)	\$	\$ (2,009,259)
Special Education	571,901			(571,901)		(571,901)
Other Special Instruction	8,431			(8,431)		(8,431)
Other Instruction	8,288			(8,288)		(8,288)
Support Services:						
Tuition	3,613,147			(3,613,147)		(3,613,147)
Student & Instruction Related Services	1,369,989	15,575	636,776	(717,638)		(717,638)
General and Business Administrative Services	356,266			(356,266)		(356,266)
School Administrative Services	138,327			(138,327)		(138,327)
Central Services	157,840			(157,840)		(157,840)
Admin Info Tech	100,202			(100,202)		(100,202)
Plant Operations and Maintenance	1,115,652			(1,115,652)		(1,115,652)
Pupil Transportation	1,338,275			(1,338,275)		(1,338,275)
Employee Benefits	2,590,395		1,147,521	(1,442,874)		(1,442,874)
Interest on Long-term Debt	151,354			(151,354)		(151,354)
Unallocated Depreciation	731,828			(731,828)		(731,828)
Total Governmental Activities	16,193,420	15,575	3,716,563	(12,461,282)		(12,461,282)
Business-type Activities:						
Food Service	430,682	12,494	425,888		7,700	7,700
Extended Day						
Total Business-type Activities	430,682	12,494	425,888		7,700	7,700
Total Primary Government	\$16,624,102	\$ 28,069	\$ 4,142,451	\$ (12,461,282)	\$ 7,700	\$ (12,453,582)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 2,268,513	\$	\$ 2,268,513
Taxes Levied for Debt Service				89,384		89,384
Federal, State and Local Aid not Restricted				11,049,098		11,049,098
Rents				167,667		167,667
Investment Earnings				8,225	166	8,391
Transfer to Charter Schools				(164,187)		(164,187)
Miscellaneous Income				31,280		31,280
Special Items:						
Fixed Asset Adjustment				325		325
Total General Revenues, Special Items, Extraordinary Items and Transfers				13,450,305	166	13,450,471
Change in Net Position				989,023	7,866	996,889
Net Position—Beginning				6,081,562	238,348	6,319,910
Net Position—Ending				\$ 7,070,585	\$ 246,214	\$ 7,316,799

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ -		\$ 162,339	\$	\$ 162,339
Restricted Cash and Cash Equivalents	1,335,794				1,335,794
Due from Other Funds	2,002,045				2,002,045
State Aid Receivable	162,958				162,958
Federal Aid Receivable		3,832,570			3,832,570
Total Assets	\$ 3,500,797	\$ 3,832,570	\$ 162,339	\$	\$ 7,495,706
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 3,040	\$ 254,741	\$	\$	\$ 257,781
Payroll Deductions Payable	223,797				223,797
Due to Other Funds	653	1,915,590	86,455		2,002,698
Unearned Revenue		1,738,125			1,738,125
Total Liabilities	227,490	3,908,456	86,455		4,222,401
Fund Balances:					
Restricted For:					
Excess Surplus	930,836				930,836
Excess Surplus - Designated for Subsequent Year's Expenditures	1,234,859				1,234,859
Unemployment Compensation	126,291				126,291
Scholarships		24,306			24,306
Student Activity		12,168			12,168
Capital Reserve	655,129				655,129
Maintenance Reserve	674,299				674,299
Emergency Reserve	41,399				41,399
Assigned:					
Year-end Encumbrances	36,808				36,808
Unassigned, Reported in:					
General Fund (Deficit)	(426,314)				(426,314)
Special Revenue Fund (Deficit)		(112,360)			(112,360)
Capital Projects Fund			75,884		75,884
Total Fund Balances (Deficit)	3,273,307	(75,886)	75,884		3,273,305
Total Liabilities and Fund Balances	\$ 3,500,797	\$ 3,832,570	\$ 162,339	\$	

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 \$18,583,966 and the accumulated depreciation is \$9,226,502 (See Note 5)	9,357,464
Long Term Net Pension Liability	(1,625,425)
Deferred Pension Outflows	208,663
Deferred Pension Inflows	(435,491)
Long-term liabilities, representing accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(37,596)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).	(3,670,335)
Net Position of Governmental Activities	\$ 7,070,585

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 2,268,513	\$	\$	\$ 89,384	\$ 2,357,897
Interest Earned on Investments	7,477		748		8,225
Rents	167,667				167,667
Miscellaneous Local Sources	9,628	21,652			31,280
Total - Local Sources	2,453,285	21,652	748	89,384	2,565,069
State Sources	10,952,975	966,730		250,031	12,169,736
Federal Sources	423	3,501,841			3,502,264
Total Revenues	13,406,683	4,490,223	748	339,415	18,237,069
EXPENDITURES					
Current:					
Regular Instruction	2,009,259	1,932,266			3,941,525
Special Education Instruction	571,901				571,901
Other Special Instruction	8,431				8,431
Other Instruction	8,288				8,288
Support Services:					
Tuition	3,613,147				3,613,147
Student & Instruction Related Services	727,913	636,776			1,364,689
General Administrative Services	356,266				356,266
School Administrative Services	138,327				138,327
Central Services	157,840				157,840
Admin Info Tech	100,202				100,202
Plant Operations and Maintenance	1,115,652				1,115,652
Pupil Transportation	1,338,275				1,338,275
Employee Benefits	3,099,422	508,371			3,607,793
Debt Service:					
Interest and Other Charges				119,415	119,415
Principal				220,000	220,000
Capital Outlay	9,270	1,583,035	1,138,977		2,731,282
Total Expenditures	13,254,193	4,660,448	1,138,977	339,415	19,393,033
Excess (Deficiency) of Revenues over Expenditures	152,490	(170,225)	(1,138,229)		(1,155,964)
OTHER FINANCING SOURCES (USES)					
Transfers of Capital Project Interest	748		(748)		
Transfer to Charter Schools	(164,187)				(164,187)
Transfer to Preschool Program	(140,450)	140,450			
Total Other Financing Sources and Uses	(303,889)	140,450	(748)		(164,187)
Net Change in Fund Balances	(151,399)	(29,775)	(1,138,977)		(1,320,151)
Fund Balance - July 1	3,424,706	(46,111)	1,214,861		4,593,456
Fund Balance - June 30 (Deficit)	\$ 3,273,307	\$ (75,886)	\$ 75,884	\$	\$ 3,273,305

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,320,151)

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

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

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(731,828)	
Capital outlays		2,942,012	
Fixed Asset Adjustment		325	
		2,210,509	2,210,509

In the statement of activities, interest on long-term debt is accrued regardless of when it is due.

In the governmental funds, interest is reported when due.	(22,669)
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Repayment of right-to-use lease 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.

10,275

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

142,980

In the statement of activities, certain operating expenses, e.g. compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

(31,921)

Change in Net Position of Governmental Activities (A-2)	\$	989,023
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The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-type Activities - Enterprise Funds			Shared Services Fund
	Food Service	Extended Day	Totals	
ASSETS				
Current Assets:				
Cash	\$ 135,779	\$ 66,188	\$ 201,967	\$ 101,933
Accounts Receivable	20,871		20,871	
Interfund Receivable	653		653	
Inventories	4,776		4,776	
Total Current Assets	162,079	66,188	228,267	101,933
Fixed Assets:				
Equipment	199,735		199,735	
Accumulated Depreciation	(179,252)		(179,252)	
Total Fixed Assets	20,483		20,483	
Total Assets	182,562	66,188	248,750	101,933
LIABILITIES:				
Current Liabilities:				
Unearned Revenue	2,536		2,536	101,933
Total Current Liabilities	2,536		2,536	101,933
NET POSITION				
Invested in Capital Assets Net of Related Debt	20,483		20,483	
Unrestricted	159,543	66,188	225,731	
Total Net Position	\$ 180,026	\$ 66,188	\$ 246,214	\$

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Fund			Shared Services Fund
	Food Service	Extended Day	Total Enterprise	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$	\$	\$	\$
Daily Sales - Non-reimbursable Programs	12,494		12,494	
Child Study Fees				56,914
Total Operating Revenue:	12,494		12,494	56,914
Operating Expenses:				
Salaries	151,863		151,863	15,575
Employee Benefits	8,897		8,897	
Supplies and Materials	19,555		19,555	
Depreciation	2,864		2,864	
Cost of Sales - Reimbursable Programs	207,939		207,939	
Management Fee	26,599		26,599	
Repairs and Other Expenses	12,965		12,965	
Total Operating Expenses	430,682		430,682	15,575
Operating Income (Loss)	(418,188)		(418,188)	41,339
Non-operating Revenues (Expenses):				
State Sources:				
State School Breakfast Program	4,691		4,691	
State School Lunch Program	4,413		4,413	
Summer-EBT Administrative Cost	321		321	
Federal Sources:				
National School Breakfast Program	107,953		107,953	
National School Lunch Program	236,148		236,148	
National School Snack Program	3,794		3,794	
Supply Chain Assistance Funding	15,456		15,456	
Summer-EBT Administrative Cost	322		322	
Food Distribution Program	29,372		29,372	
Fruit and Vegetable Grant	23,418		23,418	
Interest		166	166	
Total Non-operating Revenues (Expenses)	425,888	166	426,054	
Income (Loss) before Contributions & Transfers	7,700	166	7,866	41,339
Transfer to Unearned Revenue				(41,339)
Change in Net Position	7,700	166	7,866	
Total Net Position—Beginning	172,326	66,022	238,348	
Total Net Position—Ending	\$ 180,026	\$ 66,188	\$ 246,214	\$

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-type Activities Enterprise Funds			Shared Services Fund
	Food Service	Extended Day	Total Enterprise	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 12,494	\$	\$ 12,494	\$ 98,253
Payments to Employees	(151,863)		(151,863)	(15,575)
Payments for Employee Benefits	(8,897)		(8,897)	
Payments to Suppliers	(175,050)		(175,050)	
Net Cash Provided by (used for) Operating Activities	(323,316)		(323,316)	82,678
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State Sources	9,425		9,425	
Federal Sources	416,463		416,463	
Operating Subsidies and Transfers to Other Funds				(41,339)
Net Cash Provided by (used for) Non-capital Financing Activities	425,888		425,888	(41,339)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	(5,940.00)		(5,940.00)	
Net Cash Provided by (used for) Capital and Related Financing Activities	(5,940.00)		(5,940.00)	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends		166	166	
Net Cash Provided by (used for) Investing Activities		166	166	
Net Increase (Decrease) in Cash and Cash Equivalents	96,632	166	96,798	41,339
Balances—Beginning of Year	39,147	66,022	105,169	60,594
Balances—End of Year	\$ 135,779	\$ 66,188	\$ 201,967	\$ 101,933
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Operating Income (Loss)	\$ (418,188)	\$	\$ (418,188)	\$ 41,339
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities				
Depreciation and Net Amortization	2,864		2,864	
(Increase) Decrease in Accounts Receivable, Net	94,900		94,900	
(Increase) Decrease in Interfund Receivable	(653)		(653)	
(Increase) Decrease in Inventories	4,783		4,783	
Increase (Decrease) in Accounts Payable	(5,549)		(5,549)	
Increase (Decrease) in Due to General				
Increase (Decrease) in Unearned Revenue	(1,473)		(1,473)	41,339
Total Adjustments	94,872		94,872	41,339
Net Cash Provided by (used for) Operating Activities	\$ (323,316)	\$	\$ (323,316)	\$ 82,678

Noncash Investing, Capital, and Financing Activities:

During the year, the District received \$30,570 of food commodities from the U.S. Department of Agriculture.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Commercial Township School District (District) is organized under the Constitution of the State of New Jersey. The District operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered. The District provides educational services as authorized by state and federal guidelines.

The District serves an area of thirty-four square miles. It is located in Cumberland County and provides education for all of Commercial Township's grades K through 8. The District currently operates two instructional buildings and an administrative building. The Commercial Township School District had an approximate enrollment at June 30, 2024 of 471 students.

A. Reporting Entity:

The Commercial Township School District is a Type II district as provided by statute of the State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8.

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The adoption of GASB 99 impacted the financial statements of the School District.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The adoption of GASB 100 impacted the financial statements of the School District.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards: Continued

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.
- GASB Statement No. 102 - *Certain Risk Disclosures*: This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.
- GASB Statement No. 103 - *Financial Reporting Model Improvements*: This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

A. Basis of Presentation:

The District's financial reporting consist of a Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations, as well as Basic financial statements prepared using full-accrual accounting for all of the District's activities.

District-wide Statements: The statement of net position and the statement of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: Continued

- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUND TYPE

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: Continued

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

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

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group.

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

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

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise (Food Service) Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Funds are comprised of the Food Service Fund and Extended Day Fund.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: Continued

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

Food Service Fund Equipment 7 – 20 Years

Internal Service Fund - The Commercial Township School District maintains an Internal Service Fund, whereby Child Study Team services would be provided on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

C. Basis of Accounting and Measurement Focus:

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989. The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus: Continued

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, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Encumbrance Accounting: Continued

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

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

F. Tuition Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable:

Tuition charges for the fiscal years 2023-2024, 2022-2023 and 2021-2022 were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

H. Basis of Accounting and Measurement Focus:

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

On District-wide financial statements and in the Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

I. Short -Term Interfund Receivables/Payables:

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

J. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2023.

K. Assets, Liabilities and Equity:

Transactions

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.

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. This includes \$1408 in federal commodities on hand at June 30, 2024. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

K. Assets, Liabilities and Equity: Continued

Inventory in the Food Service Fund at June 30, 2024 consisted of the following:

Food	\$	3,410
Supplies		1,366
		<hr/>
Total	\$	4,776
		<hr/>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Capital Assets – The District is establishing a formal system of accounting for its capital assets. Capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. Capital assets acquired or constructed prior to June 30, 2003 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	40-50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits.

Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the General Long-Term Debt.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

M. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

N. Operating Revenues and Expenses:

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

O. Allocation of Indirect Expenses:

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

Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

P. Extraordinary and Special Items:

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

Q. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

R. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

S. Management Estimates:

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

T. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

U. Fund Balance Reserves:

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

V. Net Position:

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

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

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

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

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

W. Fund balances - Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

W. Fund balances - Governmental Funds: Continued

Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

X. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal yearend: property taxes available as an advance, interest, and tuition.

Y. Tax assessments and property taxes:

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Y. Tax assessments and property taxes: Continued

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School District's.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. 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.

GASB Statement No. 3 requires the disclosure of the level of custodial credit risk assumed by the Board in its cash, cash equivalents and investments.

Deposits:

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

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

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

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

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.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Investments:

New Jersey statutes (N.J.S.A.18A:20-37) permits the Board to purchase the following types of securities:

- a. Bonds or 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 for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

As of June 30, 2024, cash and cash equivalents in the fund financial statements of the District consisted of the following:

		<u>Cash and Cash Equivalents</u>
	Checking Accounts	\$ 1,788,541
	Certificates of Deposit	<u>13,492</u>
	Total	<u>\$ 1,802,033</u>
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 162,339
Enterprise funds, Statement of Net Position	B-4	201,967
Internal service funds, Statement of Net Position	B-4	101,933
Restricted cash		
Governmental funds, Balance Sheet	B-1	<u>1,335,794</u>
Total cash		<u>\$ 1,802,033</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC.

Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2024, the District's bank balance of \$1951705.76 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>2,075,547</u>
	<u>\$ 2,325,547</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to losses in fair value arising in interest rate fluctuations.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

Concentration of Credit Risk - The District does not place a limit on the amount that may be invested in any one issuer. At June 30, 2024, investments are limited to Certificate of Deposit, in the amount of \$13,492.

The investments recorded in the basic financial statements have been recorded at the carrying amount of which the difference between the carrying amount and market value is not material.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2024, the District had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Commercial Township Board of Education by inclusion of \$21,520 in the original 1998-99 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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.

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Capital Reserve Account by Board Resolution in June 2024.

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

Beginning Balance, July 1, 2023	\$655,129
Interest Earnings	
Deposits	
Withdrawals	
Ending Balance, June 30, 2024	<u>\$655,129</u>

Of this amount, none has been appropriated as revenue to fund the 2024-2025 operating budget.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2024. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 5. CAPITAL ASSETS

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

	Beginning Balance 7/1/2023	Additions	Adjustments/ Retirements	Ending Balance 6/30/2024
Governmental activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 14,877	\$	\$	\$ 14,877
Total capital assets not being depreciated	14,877			14,877
Capital Assets being Depreciated and Amortized				
Land Improvements	2,414,540			2,414,540
Building and building improvements	11,109,709	2,647,900		13,757,609
Machinery and equipment	2,268,204	74,437		2,342,641
Right-to-Use Lease Assets	54,299			54,299
Totals at historical cost	15,846,752	2,722,337	-	18,569,089
Less Accum. Depreciation and Amortization				
Land Improvements	(690,489)	(152,772)		(843,261)
Building and improvements	(6,534,950)	(449,559)		(6,984,509)
Equipment	(1,256,992)	(118,572)		(1,375,564)
Right-to-Use Lease Assets	(12,243)	(10,925)		(23,168)
Total Accum. Depreciation and Amortization	(8,494,674)	(731,828)	-	(9,226,502)
Total Capital Assets being Depr. and Amortized, Net of Accum. Depr. and Amortization	7,352,078	1,990,509		9,342,587
Government Activities Capital Assets, Net	\$ 7,366,955	\$ 1,990,509	\$ -	\$ 9,357,464
				To A-1
Business-type activities - Equipment	\$ 193,795	\$ 5,940		\$ 199,735
Less accumulated depreciation	(176,388)	(2,864)		(179,252)
Business-type Activities Capital Assets, Net	\$ 17,407	\$ (2,864)	\$	\$ 20,483

Depreciation expense was charged to governmental functions
as follows:

Unallocated \$ 731,828

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 6. LONG-TERM OBLIGATIONS

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

	Beginning Balance 7/1/2023	Additions	Reductions	Ending Balance 6/30/2024	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds payable:						
General obligation debt	\$ 3,060,000		\$ 220,000	\$ 2,840,000	\$ 120,000	\$ 2,720,000
Total bonds payable	3,060,000		220,000	2,840,000	120,000	2,720,000
Other Liabilities:						
Right-to-Use Lease Liability	48,387		10,275	38,112	10,488	27,624
Compensated absences payable	760,302	31,921		792,223		792,223
Net Pension Liability	1,747,350		121,925	1,625,425		1,625,425
Total Long-term Obligations	<u>\$ 5,616,039</u>	<u>\$ 31,921</u>	<u>\$ 352,200</u>	<u>\$ 5,295,760</u>	<u>\$ 130,488</u>	<u>\$ 5,165,272</u>
					To A-1	

A. Bonds Payable

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

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The Refunding Bonds Series of 2009 was paid off during the 2022 school year.

On April 28, 2022, the Board of Education issued Serial Bonds in the amount of \$3,060,000 for the purpose of financing various renovations, alterations, improvements, and upgrades at the Commercial Township Elementary School. Principal payments are due beginning in the 2023-24 fiscal year.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 6. LONG-TERM OBLIGATIONS (CONT'D)

A. Bonds Payable (Continued)

Principal and interest due on bonds outstanding at June 30, 2024 are as follows:

Year ending June 30,		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2025	\$	120,000	\$	111,713	\$	231,713
2026		125,000		107,512		232,512
2027		125,000		102,825		227,825
2028		130,000		98,138		228,138
2029		135,000		93,262		228,262
2030		140,000		88,200		228,200
2031		145,000		82,600		227,600
2032		150,000		76,800		226,800
2033		155,000		70,800		225,800
2034		160,000		64,600		224,600
2035		165,000		58,200		223,200
2036		170,000		51,600		221,600
2037		170,000		44,800		214,800
2038		175,000		38,000		213,000
2039		185,000		31,000		216,000
2040		190,000		23,600		213,600
2041		200,000		16,000		216,000
2042		200,000		8,000		208,000
	\$	<u>2,840,000</u>	\$	<u>1,167,650</u>	\$	<u>4,007,650</u>

B. Bonds Authorized But Not Issued - As of June 30, 2024 - None

C. Capital Leases

The District had no capital leases as of June 30, 2024.

NOTE 7. OPERATING LEASES

The School is a lessee for various copiers. The District recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the School 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 liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased 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. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 7. OPERATING LEASES (CONT'D)

An intangible right-to use 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. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

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 is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The District has determined all of their copier lease agreements qualify as right-to-use assets. As of June 30, 2024, total future minimum lease payments under right-to-use lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 12,138
2026	11,675
2027	11,675
2028	5,837
	<u>\$ 41,325</u>

NOTE 8. PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2024 were \$68,754. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2024 is 17.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2024, and 2023, were \$149,984 and \$146,010 respectively.

The total payroll for the year ended June 30, 2024 was \$5,248,389. Payroll covered by PERS was \$916,713 for fiscal year 2024.

Components of Net Pension Liability - At June 30, 2024, the District's proportionate share of the PERS net pension liability was \$1,625,425. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The District's proportion measured as of June 30, 2023 was 0.011222% which was a decrease of 0.00036% from its proportion measured as of June 30, 2021.

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2024 PERS pension expense, with respect to GASB 68, was \$10,977. The District's 2024 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,541	\$ 6,644
Changes of assumptions	3,571	98,508
Net difference between projected and actual earnings on pension plan investments	7,485	
Changes in proportion	32,082	330,339
Contributions subsequent to the measurement date	149,984	
Total	\$ 208,663	\$ 435,491

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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

Year		PERS
2024	\$	(195,698)
2025		(158,397)
2026		3,158
2027		(25,244)
2028		(631)
Thereafter		
Total	\$	(376,812)

Additional Information - Collective Balances at June 30, 2024 and 2023 are as follows:

Year		2024		2023
Collective deferred outflows of resources	\$	208,663	\$	419,324
Collective deferred inflows of resources	\$	435,491	\$	667,207
Collective Net Pension Liability	\$	1,625,425	\$	1,747,350
District's Proportion		0.011222%		0.011578%

Actuarial Assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Increases:	
(Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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. 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:

PERS		
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%
Total	100.00%	

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 2,141,898	\$ 1,625,425	\$ 1,222,725

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

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 nonemployer 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 nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2024 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$1,300,721 to the TPAF for pension contributions, \$354,009 for post-retirement benefits on behalf of the School, and \$391 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$285,141 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.

Components of Net Pension Liability - At June 30, 2024, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2024, the District recognized pension expense of \$376,602 and revenue of \$376,602 for support provided by the State.

Actuarial Assumptions - The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 4.25%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - 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:

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 18,103,661	\$ 15,329,517	\$ 13,035,802
State's Share of the Net Pension Liability	\$ <u>60,267,919,597</u>	\$ <u>51,109,961,824</u>	\$ <u>43,396,784,734</u>

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2024, employee contributions totaled \$1,776 and the District's employer contribution, recognized in pension expense, was \$1,308. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to

Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2023, was \$52,361,668,239 . Of this amount, the total OPEB liability attributable to the School District was \$18,272,249. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03490%. The total OPEB liability for the School District measured as of June 30, 2023 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2023 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total Nonemployer OPEB Liability

The total nonemployer 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 assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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

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

Health Care Trend Assumptions

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

Discount rate

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Total OPEB Liability

State of New Jersey	Total OPEB Liability
Balance as of June 30, 2022 Measurement Date	\$ 50,646,462,967
Changes for the year:	
Service Cost	2,136,235,476
Interest	1,844,113,951
Changes of Benefit Terms	0
Differences between Expected and Actual	(980,424,863)
Changes of Assumptions	105,539,463
Benefit Payments	(1,437,516,858)
Contributions from Members	47,258,104
Net Changes	1,715,205,273
Balance as of June 30, 2023 Measurement Date	\$ 52,361,668,240

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

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

June 30, 2023		
At 1.00% Decrease 2.65%	At Discount Rate 3.65%	At 1.00% Increase 4.65%
\$ 61,385,066,712	52,361,668,239	45,116,926,835

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

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

June 30, 2023		
	Healthcare Cost Trend Rate	
1.00% Decrease		1.00% Increase
\$ 43,468,257,358	52,361,668,239	63,998,719,320

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$371,789. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,665,974	\$ (4,812,728)
Changes of Assumptions	2,598,337	(5,042,488)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	202,776	(917,624)
Contributions Subsequent to the Measurement Date		
Total	\$ <u>5,467,087</u>	\$ <u>(10,772,840)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

<u>Measurement Period Ending June 30,</u>	<u>OPEB</u>
2024	\$ 1,967,054
2025	1,967,054
2026	2,104,712
2027	2,436,166
2028	2,834,942
Thereafter	<u>4,929,999</u>
Total	\$ <u>16,239,927</u>

NOTE 10. COMPENSATED ABSENCES

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

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 10. COMPENSATED ABSENCES - Continued

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, a liability existed for compensated absences in the governmental activities in the amount of \$792,223.

NOTE 11. DEFERRED COMPENSATION

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

Travelers	Aflac	Lincoln Investment Planning, Inc.
Franklin	Midland National	American Express Financial

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has chosen to purchase insurance to transfer risk to outside parties.

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

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

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ 317	\$	\$ 653	\$ 126,291
2022-2023	325			126,627
2021-2022	89		41,882	126,302

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,002,045	\$ 653
Special Revenue fund		1,915,590
Capital Projects		86,455
Food Service Fund	653	
Total	<u>\$ 2,002,698</u>	<u>\$ 2,002,698</u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the \$3,273,307 General Fund balance at June 30, 2024, \$655,129 has been restricted in the Capital Reserve Account, of which none has been withdrawn and appropriated and included as anticipated revenue for the year ended June 30, 2025; \$674,299 has been restricted in a Maintenance Account, of which \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2025; \$41,399 has been restricted in an Emergency Reserve; \$126,291 has been restricted for Unemployment Compensation; \$2,165,695 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$1,234,859 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2025; \$36,808 has been assigned for encumbrances; None of the unassigned fund balance has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2025; and there is a deficit in unassigned fund balance of \$(426,314).

Debt Service Fund –The fund balance in the Debt Service Fund at June 30, 2024 is \$0.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey School Districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$2,165,695 of which \$1,234,859 was budgeted in the 2024-2025 budget and \$930,836 must be budgeted in the 2025-2026 budget.

NOTE 16. LITIGATION

The District is sometimes involved in claims and lawsuits incidental to operations. Per the District's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the District.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 17. MAINTENANCE RESERVE

The District has a maintenance reserve with a balance of \$674,299 at June 30, 2024, none of which was anticipated as revenue in the 2024-2025 budget. There were interest earnings.

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning Balance July 1, 2023	\$ 674,299
Withdrawn	
Added by Interest Earnings	
Ending Balance June 30, 2024	<u>\$ 674,299</u>

Districts are also permitted, as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit into the legal reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District did not deposit any additional funds into their Maintenance Reserve Account by Board Resolution in June 2024.

NOTE 18. EMERGENCY RESERVE

The District also has an emergency reserve in the amount of \$41,399 at June 30, 2024, of which none was anticipated as revenue in the 204-2025 budget.

NOTE 19. CAPITAL PROJECT

On April 28, 2022, the District issued \$3,060,040 in Serial Bonds for the purpose of construction renovations, alterations, improvements and upgrades at Commercial Township Elementary School. The unspent balance as of June 30, 2024 is \$75,884.

NOTE 20. DEFICIT FUND BALANCES

The District has a deficit in Unassigned Fund Balance of (\$426,314) in the General Fund and (\$112,360) of unassigned in the Special Revenue Fund. P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e., if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balances do not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payments of \$811,603. The special revenue fund deficit of (\$112,360) is equal to the last state aid payments.

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 21. RECEIVABLES

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

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 162,958	\$ 3,832,570	\$ 20,809	\$ 4,016,337
Other			62	62
Totals	<u>\$ 162,958</u>	<u>\$ 3,832,570</u>	<u>\$ 20,871</u>	<u>\$ 4,016,399</u>

NOTE 22. TAX ABATEMENT

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements.

If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 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.

NOTE 24. SUBSEQUENT EVENTS

There were no events between year-end and December 11, 2024, the date of the audit that require additional disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,263,859	\$	\$ 2,263,859	\$ 2,268,513	\$ 4,654
Rents	167,667		167,667	167,667	
Tuition from Other LEA's Within the State					
Interest on Investments				7,477	7,477
Interest on Investments - Emergency Reserve	15		15		(15)
Interest on Investments - Maintenance Reserve	25		25		(25)
Interest on Investments - Capital Reserve	25		25		(25)
Miscellaneous	10,000		10,000	9,628	(372)
Total - Local Sources	2,441,591		2,441,591	2,453,285	11,694
State Sources:					
Equalization Aid	8,656,403		8,656,403	8,656,404	1
Categorical Special Education	189,620		189,620	189,620	
Extraordinary Aid				133,924	133,924
Non-Public Transportation Aid				1,365	1,365
On-behalf TPAF Pension Contribution				1,300,721	1,300,721
On-behalf TPAF Post Retirement Medical Contribution				354,009	354,009
On-behalf TPAF Long-term Disability Contribution				391	391
Reimbursement TPAF Social Security				285,141	285,141
Total - State Sources	8,846,023		8,846,023	10,921,575	2,075,552
Federal Sources:					
Medicaid Assistance (SEMI)				423	423
Total - Federal Sources				423	423
TOTAL REVENUES	\$ 11,287,614	\$	\$ 11,287,614	\$ 13,375,283	\$ 2,087,669
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool - Salaries of Teachers	\$ -	\$ 350	\$ 350	\$ 350	\$ -
Kindergarten	226,080	3,593	229,673	229,558	115
Grades 1-5	1,032,998	(55,598)	977,400	939,158	38,242
Grades 6-8	662,542	(12,067)	650,475	641,508	8,967
Home Instruction:					
Salaries of Teachers	3,000	(1,915)	1,085	1,085	
Purchased Professional Educational Services	3,000	9,820	12,820	12,495	325
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	45,665	14,521	60,186	59,425	761
Purchased Technical Services	12,000	191	12,191	12,190	1
Other Purchased Services	60,000	(31,177)	28,823	28,735	88
General Supplies	90,000	(53,909)	36,091	34,871	1,220
Textbooks	50,000	12,171	62,171	45,322	16,849
Other Objects	5,000		5,000	4,562	438
Total Regular Programs	\$ 2,190,285	\$ (114,020)	\$ 2,076,265	\$ 2,009,259	\$ 67,006

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Special Education					
Learning/Language Disabled:					
Instruction					
Salaries of Teachers	\$ 157,750	\$ (4,000)	\$ 153,750	\$ 142,764	\$ 10,986
General Supplies	500		500		500
Total Learning/Language Disabled	158,250	(4,000)	154,250	142,764	11,486
Multiple Disabilities:					
Salaries of Teachers	93,421		93,421	89,670	3,751
General Supplies	500		500	125	375
Total Multiple Disabilities	93,921		93,921	89,795	4,126
Resource Room:					
Salaries of Teachers	350,850	(27,957)	322,893.00	322,875	18
Other Salariesfor Instruction		16,468	16,468.00	16,467	1
Total Resource Room	350,850	(11,489)	339,361	339,342	19
Autism:					
Salaries of Teachers					
General Supplies					
Total Autism					
TOTAL SPECIAL EDUCATION	603,021	(15,489)	587,532	571,901	15,631
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	93,450	(21,248)	72,202		72,202
General Supplies	2,500		2,500	740	1,760
Total Basic Skills/Remedial Instruction	95,950	(21,248)	74,702	740	73,962
Bilingual Education - Instruction:					
Salaries of Teachers	58,185		58,185	7,691	50,494
General Supplies	500		500		500
Total Bilingual Instruction	58,685		58,685	7,691	50,994
School Sponsored Co-curricular Activities:					
Salaries	4,400		4,400	300	4,100
Total School Sponsored Co-curricular Activities	4,400		4,400	300	4,100
School Sponsored Athletics:					
Salaries	7,500	13	7,513	7,513	
Purchased Services	500	(13)	487	475	12
Supplies and Materials	500		500		500
Total School Sponsored Athletics	8,500		8,500	7,988	512
Total Instruction	2,960,841	(150,757)	2,810,084	2,597,879	212,205
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	2,026,825	18,121	2,044,946	2,044,946	
Tuition - Other LEAs Within the State - Special	501,107	155,195	656,302	656,302	
Tuition - County Voc Sch Dist Regular	54,563	(21,495)	33,068	33,068	
Tuition - County Voc Sch Dist Special	11,000	6,600	17,600	17,600	
Tuition - Co Spec Serv and Regional Day Schools	522,291	(45,821)	476,470	404,174	72,296
Tuition to Private Schools for the Disabled Within State	205,734	87,023	292,757	292,757	
Tuition to Private Schools For The Disabld Within State	164,300		164,300	164,300	
Total Undistributed Expenditures - Instruction	\$ 3,485,820	\$ 199,623	\$ 3,685,443	\$ 3,613,147	\$ 72,296

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENDITURES: (Continued)					
Attendance and Social Work Services:					
Salaries	\$ 24,400	\$	\$ 24,400	\$ 20,157	\$ 4,243
Total Attendance and Social Work Services	24,400		24,400	20,157	4,243
Health Services:					
Salaries	74,100	13,318	87,418	85,585	1,833
Purch Prof/ Tech Services	50,000	(45,947)	4,053	4,052	1
Other Purchased Services	10,000	(10,000)			
Supplies and Materials	5,000	(955)	4,045	3,740	305
Total Health Services	139,100	(43,584)	95,516	93,377	2,139
Speech, OT, PT & Related Services:					
Salaries	121,796	39,604	161,400	161,400	
Purchased Prof - Education Services	15,000	25,335	40,335	37,835	2,500
Supplies and Materials	8,000	(5,687)	2,313	2,313	
Total Speech, OT, PT & Related Services	144,796	59,252	204,048	201,548	2,500
Other Support Services - Extraordinary Services:					
Salaries	104,791	14,868	119,659	119,659	
Purchased Prof - Education Services	50,000	(5,000)	45,000	35,898	9,102
Total Other Support Services - Extraordinary Services	154,791	9,868	164,659	155,557	9,102
Other Support Services - Students-Regular Guidance:					
Salaries Other Professionals	104,110	(444)	103,666	75,315	28,351
Salaries of Secretarial and Clerical Assistants	9,760		9,760	1,196	8,564
Supplies and Materials		445	445	427	18
Total Other Support Services - Students-Regular Guidance	113,870	1	113,871	76,938	36,933
Other Support Services - Students- Child Study Teams:					
Salaries of Other Professional Staff	193,500	(5,566)	187,934	98,575	89,359
Salaries of Secretarial and Clerical Ass		2,200	2,200	1,800	400
Purchased Professional - Educational Services	80,000	14,890	94,890	78,231	16,659
Supplies and Materials	20,000	(20,000)			
Total Other Support Services - Students- Child Study Teams	293,500	(8,476)	285,024	178,606	106,418
Improvement of Instructional Services:					
Other Purchased Services	5,000		5,000	130	4,870
Supplies and Materials	1,000		1,000		1,000
Total Improvement of Instructional Services	6,000		6,000	130	5,870
Educational Media Services/School Library:					
Other Purchased Services					
Total Educational Media Services/School Library	\$	\$	\$	\$	\$

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services:					
Purchased Professional and Educational Services	\$ 3,500	\$	\$ 3,500	\$ 1,600	\$ 1,900
Other Purchased Services	6,200		6,200		6,200
Supplies and Materials	500		500		500
Other Objects	500		500		500
Total Inst. Staff Training Services	10,700		10,700	1,600	9,100
Support Services General Administration:					
Salaries	198,680	7,000	205,680	202,555	3,125
Legal Services	31,500	23,000	54,500	31,715	22,785
Audit Fees	26,250		26,250	25,442	808
Architectural/Engineering Services	30,000	(11,121)	18,879	10,374	8,505
Other Purchased Professional Services	23,000		23,000	3,575	19,425
Purchased Technical Services	1,600		1,600	1,443	157
Communication/Telephone	73,500	(18,000)	55,500	50,584	4,916
BOE Other Purchased Services	9,500		9,500	3,205	6,295
Miscellaneous Purchased Services	25,000	5,346	30,346	20,122	10,224
General Supplies	2,500	(101)	2,399	1,393	1,006
Miscellaneous Expenditures	200	101	301	301	
BOE Membership Dues and Fees	8,500		8,500	5,557	2,943
Total Support Services General Administration	430,230	6,225	436,455	356,266	80,189
Support Services School Administration:					
Salaries of Principals/Assistant Principals	70,100	7,500	77,600	77,435	165
Salaries of Secretarial and Clerical Assistants	51,450	2,310	53,760	51,530	2,230
Other Salaries	3,000	(2,795)	205		205
Purchased Professional and Technical Services	2,500	(2,500)			
Other Purchased Services	6,000	(3,800)	2,200	2,170	30
Supplies and Materials	5,000	(884)	4,116	4,104	12
Other Objects	4,000	169	4,169	3,088	1,081
Total Support Services School Administration	142,050		142,050	138,327	3,723
Central Services:					
Salaries	51,750	2,458	54,208	54,208	
Purchased Professional Services	92,000	1,451	93,451	92,631	820
Purchased Technical Services	7,500	1,195	8,695	8,695	
Miscellaneous Purchased Services	2,500	(787)	1,713	1,675	38
Supplies and Materials	6,250	(5,698)	552	552	
Miscellaneous Expenditures	-	79	79	79	
Total Central Services	160,000	(1,302)	158,698	157,840	858
Admin. Info. Technology:					
Purchased Technical Services	100,000	202	100,202	100,202	
Total Admin. Info. Technology	100,000	202	100,202	100,202	
Required Maintenance for School Facilities:					
Salaries	106,805	301	107,106	101,744	5,362
Cleaning, Repair and Maintenance Services	265,000	80,477	345,477	324,070	21,407
General Supplies	20,000	(12,137)	7,863	7,750	113
Required Maintenance for School Facilities:	\$ 391,805	\$ 68,641	\$ 460,446	\$ 433,564	\$ 26,882

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Custodial Services:					
Purchased Professional and Technical Services	\$ 300,000	\$ (36,380)	\$ 263,620	\$ 263,620	\$ -
Cleaning, Repair, and Maintenance Services	50,000	4,104	54,104	51,664	2,440
Insurance	65,083	16,661	81,744	81,744	
Miscellaneous Purchased Services	4,000	10,014	14,014	9,414	4,600
General Supplies	50,000	(41,596)	8,404	8,273	131
Energy (Natural Gas)	21,000	(9,200)	11,800	10,973	827
Energy (Electricity)	210,000	(9,847)	200,153	200,000	153
Total Custodial Services	700,083	(66,244)	633,839	625,688	8,151
Security:					
Purchased Professional and Technical Services	57,750	(1,600)	56,150	56,080	70
General Supplies	6,000	(5,310)	690	320	370
Total Security	63,750	(6,910)	56,840	56,400	440
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	20,000	(20,000)			
Total Care and Upkeep of Grounds	20,000	(20,000)			
Total Operation and Maintenance of Plant Services	1,175,638	(24,513)	1,151,125	1,115,652	35,473
Undistributed Expenditures - Student Transportation Services:					
Salaries - Between Home & School - Regular	235,150	(55,100)	180,050	178,219	1,831
Management Fee - ESC & CTSA Trans. Program	2,500	(2,300)	200	200	
Other Purchased Prof. and Technical Serv	15,000	(2,606)	12,394	10,733	1,661
Cleaning, Repair and Maintenance Services	2,500	(423)	2,077	2,057	20
Lease Purchase Payments	183,600	23,476	207,076	207,076	
Contracted Services - Aid in Lieu of Payments - Nonpublic	45,000	(18,177)	26,823	26,823	
Contracted Services (Home/School) - Vendor		2,880	2,880	2,880	
Contracted Services (Other Than Bet Home & Sch)	10,000	(1,600)	8,400	8,400	
Contracted Services (Bet. Home & Sch) - Joint Agr		24,217	24,217	24,216	1
Contracted Services (Reg. Students) - ESCs	225,400	27,109	252,509	252,500	9
Contracted Services (Special Ed. Students) - ECS	469,230	122,225	591,455	591,454	1
General Supplies	2,500	(1,670)	830	817	13
Transportation Supplies	70,000	(37,899)	32,101	32,097	4
Other Objects		163	163	163	
Social Security	25,058	(24,400)	658	640	18
Total Student Transportation Services	1,285,938	55,895	1,341,833	1,338,275	3,558
Allocated Benefits:					
Social Security Contributions					
Unallocated Benefits:					
Social Security Contributions	53,401	40,600	94,001	93,997	4
Other Retirement Contributions - PERS	165,000	(13,469)	151,531	151,413	118
Unemployment Compensation	60,000	(40,000)	20,000	11,274	8,726
Workers Compensation	75,000	1,287	76,287	69,015	7,272
Health Benefits	1,004,000	(198,920)	805,080	722,547	82,533
Tuition Reimbursement	10,000	3,695	13,695	13,695	
Other Employee Benefits	108,000	81,207	189,207	97,219	91,988
Total Unallocated Benefits	1,475,401	(125,600)	1,349,801	1,159,160	190,641
On-behalf TPAF Pension Contributions				1,300,721	(1,300,721)
On-behalf TPAF Post Retirement Medical Contribution				354,009	(354,009)
On-behalf TPAF Long-term Disability Contribution				391	(391)
Reimbursement TPAF Social Security				285,141	(285,141)
Total Personal Services - Employee Benefits	1,475,401	(125,600)	1,349,801	3,099,422	(1,749,621)
Total Undistributed Expenditures	9,142,234	127,591	9,269,825	10,647,044	(1,377,219)
Interest Earned on Maintenance Reserve	25		25		25
Interest Earned on Emergency Reserve	15		15		15
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 12,103,115	\$ (23,166)	\$ 12,079,949	\$ 13,244,923	\$ (1,164,974)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Amendments/ Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 25	\$	\$ 25	\$	\$ 25
Equipment:					
Undistributed Expenditures Instruction					
Total Equipment					
Facilities Acquisition and Construction Services:					
Construction Services					
Assessment for Debt Service on SDA Funding	9,270		9,270	9,270	
Total Facilities Acquisition and Construction Services	9,270		9,270	9,270	
TOTAL CAPITAL OUTLAY	9,295		9,295	9,270	25
TOTAL EXPENDITURES	\$ 12,112,410	\$ (23,166)	\$ 12,089,244	13,254,193	\$ (1,164,949)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	\$ (824,796)	\$ 23,166	\$ (801,630)	\$ 121,090	\$ 922,720
Other financing sources (uses):					
Operating Transfer Out - Charter Schools	(91,674)	(72,513)	(164,187)	(164,187)	
Interest in Capital Projects Fund				748	748
Capital Reserve - Transfer to Capital Projects					
Transfer to Preschool Program	(140,450)		(140,450)	(140,450)	
Total Other Financing Sources	(232,124)	(72,513)	(304,637)	(303,889)	748
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,056,920)	(49,347)	(1,106,267)	(182,799)	923,468
Fund Balances, July 1	4,267,709		4,267,709	4,267,709	
Fund Balances, June 30	\$ 3,210,789	\$ (49,347)	\$ 3,161,442	\$ 4,084,910	\$ 923,468
RECAPITULATION :					
Reserved:					
Restricted Fund Balance:					
Excess Surplus				\$ 930,836	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,234,859	
Unemployment Compensation				126,291	
Capital Reserve				655,129	
Maintenance Reserve				674,299	
Emergency Reserve				41,399	
Assigned:					
Encumbrances				36,808	
Designated for Subsequent Year's Expenditures					
Unassigned Fund Balance				385,289	
				4,084,910	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(811,603)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,273,307	

**COMMERCIAL TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 2,809,920	\$ 1,728,485	\$ 4,538,405	\$ 2,833,730	\$ 1,704,675
State Sources	1,494,237	51,785	1,546,022	952,409	593,613
Local Sources		25,309	25,309	21,652	3,657
Total Revenues	4,304,157	1,805,579	6,109,736	3,807,791	2,301,945
EXPENDITURES:					
Instruction					
Salaries of Teachers	770,535	107,855	878,390	836,562	41,828
Salaries - Other Instruction	229,236	212,922	442,158	422,904	19,254
Purchased Professional Ed Services	60,000		60,000		60,000
Other Purchased Services	339,111	105,179	444,290	385,680	58,610
Tuition	194,633	6,534	201,167	201,167	
Supplies and Materials	407,364	(228,354)	179,010	175,156	3,854
General Supplies	60,000	8,283	68,283	4,228	64,055
Other Objects	2,000	(2,000)			
Total Instruction	2,062,879	210,419	2,273,298	2,025,697	247,601
Support Services					
Salaries	189,977	(88,009)	101,968	82,479	19,489
Salaries - Supervisor Inst	21,000		21,000		21,000
Salaries - Principal, Assist.	17,510	65,997	83,507	36,990	46,517
Salaries - Other Professional	23,355		23,355	22,543	812
Clerical Salaries	9,775		9,775	4,704	5,071
Other Salaries for Instruction	106,170	(81,600)	24,570	12,495	12,075
Salaries - Family Parent Liaisonfor Instruction	12,543	-	12,543		12,543
Personal Services-Employee Benefits	487,376	102,158	589,534	508,371	81,163
Purchased Professional Technical Services	66,288		66,288	66,288	
Purchased Professional Ed Services	60,000	(60,000)			
Other Purchased Professional Services	60,000	(5,997)	54,003		54,003
Purchased Property Services	85,000	(41,341)	43,659	43,659	
Rentals	167,667		167,667	167,667	
Other Purchased Services	40,958	98,981	139,939	91,099	48,840
Transportation - Field Trips	10,000	(240)	9,760	5,000	4,760
Travel		240	240	240	
Scholarships Awarded		2,000	2,000	2,000	
Student Activity		23,309	23,309	23,309	
Supplies and Materials	173,168	98,470	98,471	73,393	25,078
Other Objects	5,000		5,000		5,000
Total Support Services	1,535,787	113,968	1,476,588	1,140,237	336,351
Facilities Acquisition and Construction Services:					
Construction Services					
Buildings		371,705	371,705		371,705
Instructional Equipment	59,527	30,153	89,680		89,680
Non-Instructional Equipment	645,964	1,252,501	1,898,465	785,964	1,112,501
Total Facilities Acquisition and Construction Services	705,491	1,654,359	2,359,850	785,964	1,573,886
Total Expenditures	4,304,157	1,805,579	6,109,736	3,951,898	2,157,838
Other Financing Sources (Uses)					
Total Outflows	4,304,157	1,805,579	6,109,736	3,951,898	2,157,838
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$ (144,107)	\$ (144,107)
Transfer from General Fund				140,450	140,450
Fund Balance, July 1				40,131	40,131
Fund Balance, June 30				<u>\$ 36,474</u>	<u>\$ 36,474</u>

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL 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] \$ 13,375,283	[C-2] \$ 3,807,791
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		1,531,857
Current Year		(823,307)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	843,003	86,242
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(811,603)	(112,360)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 13,406,683	[B-2] \$ 4,490,223
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 13,254,193	[C-2] \$ 3,951,898
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		708,550
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 13,254,193	[B-2] \$ 4,660,448

REQUIRED SUPPLEMENTARY INFORMATION - PART III

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.011222%	0.011578%	0.013733%	0.013670%	0.014369%	0.011482%	0.010584%	0.011195%	0.009752%	0.008918%
District's Proportionate Share of the Net Pension Liability	\$ 1,625,425	\$ 1,747,350	\$ 1,626,926	\$ 2,229,266	\$ 2,589,130	\$ 2,260,673	\$ 2,463,800	\$ 3,315,645	\$ 2,189,127	\$ 1,669,768
District's Covered-Employee Payroll	\$ 916,713	\$ 808,246	\$ 849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	177.31%	216.19%	191.60%	252.47%	278.85%	234.69%	274.26%	481.51%	301.43%	228.72%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 149,984	\$ 146,010	160,834	\$ 149,546	\$ 141,244	\$ 115,521	\$ 100,051	\$ 99,993	\$ 83,841	\$ 73,522
Contributions in relation to the Contractually Required Contribution	(149,984)	(146,010)	(160,834)	(149,546)	(141,244)	(115,521)	(100,051)	(99,993)	(83,841)	(73,522)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u></u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 916,713	\$ 808,246	849,111	\$ 882,970	\$ 928,493	\$ 963,278	\$ 898,346	\$ 688,588	\$ 726,259	\$ 730,038
Contributions as a Percentage of Covered-Employee Payroll	16.36%	18.07%	18.94%	16.94%	15.21%	11.99%	11.14%	14.52%	11.54%	10.07%

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.030039%	0.033505%	0.033995%	0.039535%	0.036567%	0.034568%	0.036384%	0.033106%	0.033840%	0.038948%
District's Proportionate Share of the Net Pension Liability	\$ 15,329,517	\$ 17,286,888	\$ 16,343,151	\$ 26,033,233	\$ 22,441,303	\$ 21,991,636	\$ 24,531,414	\$ 26,043,054	\$ 21,388,041	\$ 20,816,478
District's Covered-Employee Payroll	\$ 3,792,035	\$ 3,549,382	\$ 3,478,287	\$ 3,450,001	\$ 3,562,595	\$ 3,618,513	\$ 4,153,556	\$ 3,751,844	\$ 3,436,632	\$ 3,392,779
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	404.26%	487.04%	469.86%	754.59%	629.91%	607.75%	590.61%	694.14%	622.35%	613.55%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 773,096	\$ 1,129,522	\$ 1,398,161	\$ 871,681	\$ 789,988	\$ 739,005	\$ 893,343
Interest Cost	643,526	466,518	550,125	561,000	677,692	725,198	628,014
Changes of Benefit Terms			(22,572)				
Differences Between Expected and Actual Experiences	(299,790)	(29,397)	(4,109,873)	3,056,720	(2,831,237)	(1,868,613)	
Changes of Assumptions	36,829	(4,722,360)	20,922	4,345,478	228,959	(1,944,865)	(2,707,163)
Member Contributions	16,491	14,824	14,064	12,553	13,973	15,663	16,832
Gross Benefit Payments	(501,639)	(462,100)	(433,344)	(414,151)	(471,382)	(453,183)	(457,099)
Net Change in Total OPEB Liability	668,513	(3,602,993)	(2,582,517)	8,433,281	(1,592,007)	(2,786,795)	(1,626,073)
Total OPEB Liability - Beginning	17,603,736	21,206,729	23,789,246	15,355,965	16,947,972	19,734,767	21,360,840
Total OPEB Liability - Ending	\$ 18,272,249	\$ 17,603,736	\$ 21,206,729	\$ 23,789,246	\$ 15,355,965	\$ 16,947,972	\$ 19,734,767
Covered-Employee Payroll	\$ 4,708,748	\$ 4,357,628	\$ 4,327,398	\$ 4,332,971	\$ 4,491,088	\$ 4,581,791	\$ 5,051,902
Total OPEB Liability as a Percentage of Covered-Employee Payroll	388.05%	403.98%	490.06%	549.03%	341.92%	369.90%	390.64%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	ESEA				IDEA			Equalization Stabilization Fund							CRRSA Consolidated		Sub-Total Per E-1 (2)	Totals	
	Title I Part A		Title II Part A	Title VI FT	I.D.E.A. Part B Basic	I.D.E.A. Pre- School	ARP IDEA Preschool	ARP Consolidated						CRRSA ESSER II	Learning Accel.	2024		2023	
	Title I 2023-2024	SIA	2023-2024	2023-2024				ARP ESSER III	Accel. Learning	Summer Learning	Beyond School Day	Mental Health	Homeless						
		2023-2024																	
REVENUES:																			
Federal Sources	\$ 448,411	\$ 89,075	\$ 33,914	\$ 362	\$ 201,167	\$ 5,951	\$ 2,211	\$ 1,808,324	\$ 66,288	\$ 16,830	\$ 35,817	\$ 44,999	\$ 512	\$ 2,888	\$ 28,635	\$ 48,346	\$ 2,833,730	\$ 3,320,441	
State Sources																952,409	952,409	589,561	
Local Sources																21,652	21,652	12,142	
Total Revenues	448,411	89,075	33,914	362	201,167	5,951	2,211	1,808,324	66,288	16,830	35,817	44,999	512	2,888	28,635	1,022,407	3,807,791	3,922,144	
EXPENDITURES:																			
Instruction:																			
Salaries of Teachers	226,925	45,585	5,761					130,026		16,830	11,822	3,093			11,402	385,118	836,562	510,482	
Salaries - Other Instruction	91,270							121,652								209,982	422,904	337,766	
Purchased Professional Tech. Serv.																		8,125	
Purchased Professional Ed Services																		24,423	
Other Purchased Services								379,188						2,888		3,604	385,680	395,151	
Tuition					201,167												201,167	199,440	
Supplies and Materials	6,129	19,011						143,670							3,049	3,297	175,156	305,999	
General Supplies																4,228	4,228	73,018	
Total Instruction	324,324	64,596	5,761		201,167			774,536		16,830	11,822	3,093		2,888	14,451	606,229	2,025,697	1,854,404	
Support Services:																			
Salaries			4,428				2,211	34,029			(5)	27,851				13,965	82,479	75,505	
Salaries - Principal, Assist.																36,990	36,990		
Salaries - Other Professional																22,543	22,543		
Clerical Salaries																4,704	4,704		
Other Salaries for Instruction																12,495	12,495	54,076	
Personal Services-Employee Benefits	121,859	24,479	3,094					97,875				14,055				247,009	508,371	353,812	
Purchased Professional Tech. Serv.									66,288								66,288	850	
Purchased Property Services								32,637								11,022	43,659	29,595	
Other Purchased Services			19,767	362				32,274			24,000		512		14,184		91,099	72,820	
Rentals																167,667	167,667		
Contracted Services - Field Trips																5,000	5,000		
Travel																240	240		
Scholarships Awarded																2,000	2,000	441	
Student Activity																23,309	23,309		
Supplies and Materials	2,228		864			5,951		51,009								13,341	73,393	59,561	
Total Support Services	124,087	24,479	28,153	362		5,951	2,211	247,824	66,288		23,995	41,906	512		14,184	560,285	1,140,237	646,660	
Facilities Acquisition/Construction:																			
Buildings																			1,550,600
Instructional Equipment																			27,844
Non-Instructional Equipment								785,964									785,964		10,350
Total Facilities Acquisition/Construction								785,964									785,964	1,588,794	
Total Expenditures	\$ 448,411	\$ 89,075	\$ 33,914	\$ 362	\$ 201,167	\$ 5,951	\$ 2,211	\$ 1,808,324	\$ 66,288	\$ 16,830	\$ 35,817	\$ 44,999	\$ 512	\$ 2,888	\$ 28,635	\$ 1,166,514	\$ 3,951,898	\$ 4,089,858	
Excess (Deficiency) of Revenues Over (Under) Expenditures																	(144,107)	(144,107)	(167,714)
Transfer from General Fund																	140,450	140,450	132,680
Fund Balance, July 1																	40,131	40,131	75,165
Fund Balance, June 30																	\$ 36,474	\$ 36,474	\$ 40,131

EXHIBIT E-1
(2)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	21ST CENTURY						
	PN		Scholarship	SDA	Student	Preschool	
	2023-24	HMS	Fund	Emergent	Activity	Education	Totals
				Needs	Fund	2023-24	2024
REVENUES:							
Federal Sources	\$ 46,849	\$ 1,497					\$ 48,346
State Sources				\$ 11,022		\$ 941,387	952,409
Local Sources			30		\$ 21,622		21,652
Total Revenues	46,849	1,497	30	11,022	21,622	941,387	1,022,407
EXPENDITURES:							
Instruction:							
Salaries of Teachers	16,538					368,580	385,118
Salaries - Other Instructional						209,982	209,982
Purchased Prof/ Educ Services							
Other Purchased Services						3,604	3,604
Supplies & Materials	1,800	1,497					3,297
General Supplies						4,228	4,228
Total Instruction	18,338	1,497				586,394	606,229
Support Services:							
Salaries	13,965						13,965
Salaries - Principal, Assist.						36,990	36,990
Salaries - Other Professional						22,543	22,543
Salaries - Clerical						4,704	4,704
Other Salaries for Instruction	12,495						12,495
Salaries - Family Parent Liaison							
Personal Services-Employee Benefits	2,051					244,958	247,009
Purchased Professional Tech. Serv.							
Purchased Property Services				11,022			11,022
Rentals						167,667	167,667
Contracted Services - Field Trips						5,000	5,000
Travel						240	240
Scholarships Awarded			2,000				2,000
Student Activity					23,309		23,309
Materials and Supplies						13,341	13,341
Total Support Services	28,511		2,000	11,022	23,309	495,443	560,285
Facilities Acquisition/Construction:							
Instructional Equipment							
Non-Instructional Equipment							
Total Facilities Acquisition/Construction							
Total Expenditures	\$ 46,849	\$ 1,497	\$ 2,000	\$ 11,022	\$ 23,309	\$1,081,837	\$ 1,166,514
Excess (Deficiency) of Revenues Over (Under) Expenditures			(1,970)		(1,687)	(140,450)	(144,107)
Transfer from General Fund						140,450	140,450
Fund Balance, July 1			26,276		13,855		40,131
Fund Balance, June 30			\$ 24,306		\$ 12,168		\$ 36,474

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 381,664	\$ 368,580	\$ 13,084
Other Salaries for Instruction	229,236	209,982	19,254
Purchased Prof/ Educ Services	60,000		60,000
Other Purchased Services	40,000	3,604	36,396
Supplies & Materials	68,284	4,228	64,056
Other Objects	2,000		2,000
Total Instruction	<u>781,184</u>	<u>586,394</u>	<u>194,790</u>
Support Services:			
Salaries - Supervisors of Instruction	21,000		21,000
Salaries - Principals/Asst.	83,507	36,990	46,517
Salaries - Other Professional	23,355	22,543	812
Salaries - Secretary/ Clerical	9,775	4,704	5,071
Salaries - Family/Parent Liaison	12,543		12,543
Personal Services - Employee Benefits	244,960	244,958	2
Purchased Professional Services	54,003		54,003
Rentals	167,667	167,667	
Contracted Transportation - Field Trips	9,760	5,000	4,760
Travel	240	240	
Supplies & Materials	34,636	13,341	21,295
Other Objects	5,000		5,000
Total Support Services	<u>666,446</u>	<u>495,443</u>	<u>171,003</u>
Facilities Acquisition and Const. Services:			
Instructional Equipment	87,370		87,370
Non Instructional Equipment			
Total Facilities Acquisition and Const. Services	<u>87,370</u>		<u>87,370</u>
Contribution to Charter Schools			
Total Expenditures	<u>\$ 1,535,000</u>	<u>\$ 1,081,837</u>	<u>\$ 453,163</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 1,123,600	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2023)	681,296	(2)
Add: Budgeted Transfer from the General Fund 2023-2024	140,450	(3)
Total Preschool Education Aid Funds Available for 2023-2024 Budget	1,945,346	(4)
Less: 2022-2023 Budgeted Preschool Education Aid (including prior year budget carryover)	(1,535,000)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	410,346	(6)
Add: June 30, 2024 Unexpended Preschool Education Aid	453,163	(7)
Less: 2023-2024 Commissioner-approved Transfer to the General Fund		(8)
2023-2024 Carryover - Preschool Education Aid Programs	\$ 863,509	(9)
2023-2024 Preschool Education Aid Carryover Budgeted for Preschool Programs 2024-2025	\$ 451,109	(10)

The Board should consider appropriating this additional carry-over into the 2024-2025 budget \$ 412,400

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATIONS
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Project Title/Issue</u>	<u>DOE Project No.</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balances</u>	
				<u>Prior Years</u>	<u>Current Year</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Various Renovations, Alterations, Improvements and Upgrades at Commercial Township Elementary School	N/A	4/28/22	\$ 3,060,040	\$ 1,845,179	\$ 1,138,977	\$ 75,884	\$ 1,214,861
			<u>\$ 3,060,040</u>	<u>\$ 1,845,179</u>	<u>\$ 1,138,977</u>	<u>\$ 75,884</u>	<u>\$ 1,214,861</u>
				Unencumbered Balance		\$ 75,884	
				Encumbrances			
				Fund Balance		<u>\$ 75,884</u>	

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Revenues and Other Financing

Sources

State Sources - SDA Grant	\$	
Bond Proceeds		
Interest		748
		<hr/>
Total Revenues		748
		<hr/>

Expenditures and Other Financing

Uses

Purchased Professional/Tech. Services		16,040
Construction Services		1,122,937
		<hr/>
Total Expenditures		1,138,977
		<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,138,229)
Transfer of Interest Earned to General Fund		(748)
Fund Balance - Beginning		1,214,861
		<hr/>
Fund Balance - Ending	\$	75,884
		<hr/> <hr/>

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
PROJECT STATUS - BUDGETARY BASIS
VARIOUS RENOVATIONS, ALTERATIONS, IMPROVEMENTS AND UPGRADES AT
COMMERCIAL TOWNSHIP ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Prior Year	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$	\$	\$
Bond Proceeds	3,060,000		3,060,000	3,060,000
Miscellaneous	40		40	40
Total Revenues	3,060,040		3,060,040	3,060,040
Expenditures and Other Financing Uses				
Purchased Professional/Tech. Services	254,677	16,040	270,717	
Construction Services	2,626,853	86,586	2,713,439	3,060,040
Total Expenditures	2,881,530	102,626	2,984,156	3,060,040
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,212,361	\$ (102,626)	\$ 75,884	\$

Additional Project Information:

Project Number	0950-050-14-GINP
Grant Date/ Letter of Notification	April 28, 2022
Original Authorization Cost	\$3,060,040
Additional Authorized Cost	\$0.00
Revised Authorized Cost	
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	94.0%
Original Target Completion Date	June 30, 2024
Revised Target Completion Date	June 30, 2024

PROPRIETARY FUND DETAIL STATEMENTS

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

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

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2024 AND 2023

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals 2024	2023
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 135,779	\$ 66,188	\$ 201,967	\$ 105,169
Accounts Receivable:				
State	847		847	2,891
Federal	19,962		19,962	112,855
Other	62		62	25
Interfund Accounts Receivable	653		653	
Inventories	4,776		4,776	9,559
Total Current Assets	<u>162,079</u>	<u>66,188</u>	<u>228,267</u>	<u>230,499</u>
Fixed Assets:				
Equipment	199,735		199,735	193,795
Accumulated Depreciation	<u>(179,252)</u>		<u>(179,252)</u>	<u>(176,388)</u>
Total Fixed Assets	<u>20,483</u>		<u>20,483</u>	<u>17,407</u>
Total Assets	<u>182,562</u>	<u>66,188</u>	<u>248,750</u>	<u>247,906</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable				5,549
Unearned Revenue	2,536		2,536	4,009
Total Current Liabilities	<u>2,536</u>		<u>2,536</u>	<u>9,558</u>
NET POSITION:				
Invested in Capital Assets Net of Related Debt	20,483		20,483	17,407
Unrestricted	159,543	66,188	225,731	220,941
Total Net Position	<u>\$ 180,026</u>	<u>\$ 66,188</u>	<u>\$ 246,214</u>	<u>\$ 238,348</u>

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals	
			2024	2023
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Lunch Program	\$	\$	\$	\$ 26,706
Total Daily Sales - Reimbursable Programs				
Daily Sales Non-Reimbursable Programs	12,494		12,494	514
Total Operating Revenue	12,494		12,494	27,220
OPERATING EXPENSES:				
Salaries	151,863		151,863	4,157
Employee Benefits	8,897		8,897	
Supplies and Materials	19,555		19,555	29,448
Depreciation	2,864		2,864	2,885
Cost of Sales - Reimbursable Programs	207,939		207,939	420,457
Management Fee	26,599		26,599	
Repairs and Other Expenses	12,965		12,965	30,666
Total Operating Expenses	430,682		430,682	487,613
Operating Income (Loss)	(418,188)		(418,188)	(460,393)
Non-Operating Revenues:				
State Sources:				
State School Breakfast Program	4,691		4,691	5,963
State School Lunch Program	4,413		4,413	4,307
Summer-EBT Administrative Cost	321		321	
Federal Sources:				
School Breakfast Program	107,953		107,953	146,103
National School Lunch Program	236,148		236,148	254,095
National School Snack Program	3,794		3,794	
Supply Chain Assistance Funding	15,456		15,456	21,681
P-EBT Administrative Cost Reimbursement				653
Summer-EBT Administrative Cost	322		322	
Food Distribution Program	29,372		29,372	48,369
Fruit and Vegetable Grant	23,418		23,418	25,945
Interest		166	166	168
Total Non-Operating Revenues	425,888	166	426,054	507,284
Net Income before Operating Transfers	7,700	166	7,866	46,891
Net Income	7,700	166	7,866	46,891
Net Position - July 1	172,326	66,022	238,348	191,457
Net Position - June 30	\$ 180,026	\$ 66,188	\$ 246,214	\$ 238,348

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	Food Service Enterprise Fund	Extended Day Enterprise Fund	Totals 2024	2023
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 12,494	\$	\$ 12,494	\$ 27,220
Payments to Employees and Employee Benefits	(160,760)		(160,760)	(4,157)
Payments to Suppliers	(175,050)		(175,050)	(520,607)
Net Cash Provided by Noncapital Financing Activities	(323,316)		(323,316)	(497,544)
Cash Flows from Noncapital Financing Activities:				
Cash Received from State and Federal Reimbursements	425,888		425,888	507,116
Operating Transfer from General Fund				
Net Cash Provided by Noncapital Financing Activities	425,888		425,888	507,116
Cash Flows from Capital & Related Financing Activities				
Purchase of Capital Assets	(5,940)		(5,940)	
Net Cash Provided by Capital and Related Financing Activities	(5,940)		(5,940)	
Cash Flows From Investing Activities				
Interest and Dividends		166	166	168
Net Cash Provided by Investing Activities		166	166	168
Net Decrease in Cash and Cash Equivalents	96,632	166	96,798	9,740
Cash and Cash Equivalents, July 1	39,147	66,022	105,169	95,429
Cash and Cash Equivalents, June 30	\$ 135,779	\$ 66,188	\$ 201,967	\$ 105,169
Operating Income (Loss)	\$ (418,188)	\$	\$ (418,188)	\$ (460,393)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:				
Depreciation	2,864		2,864	2,885
Change in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	94,900		94,900	4,593
(Increase)/Decrease in Interfund Receivable	(653)		(653)	
(Increase)/Decrease in Inventory	4,783		4,783	2,033
Increase/(Decrease) in Accounts Payable	(5,549)		(5,549)	5,549
Increase/(Decrease) in Due to General				(52,211)
Increase/(Decrease) in Unearned Revenue	(1,473)		(1,473)	
Net Cash Used by Operating Activities	\$ (323,316)	\$	\$ (323,316)	\$ (497,544)

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>
ASSETS:	
Cash	\$ 101,933
Total Assets	\$ 101,933
LIABILITIES AND NET POSITION:	
Liabilities:	
Accounts Payable	\$
Unearned Revenue	101,933
Total Liabilities	101,933
Net Position:	
Unreserved	
Total Net Position	
Total Liabilities and Net Position	\$

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2024 AND 2023

	<u>June 30, 2024</u>
OPERATING REVENUES:	
Child Study Team Fees	\$ 56,914
Total Operating Revenue	<u>56,914</u>
OPERATING EXPENSES:	
Salaries	15,575
Employee Benefits	
Purchased Professional Services	
Total Expenses	<u>15,575</u>
Increase in Net Position Before Transfers	41,339
Transfer to Unearned Revenue	<u>(41,339)</u>
Change in Net Position	
Net Position - July 1	<u> </u>
Net Position - June 30	<u>\$ <u> </u></u>

EXHIBIT G-6

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
SHARED SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024 AND 2023

	<u>June 30, 2024</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 98,253
Payments to Employees	(15,575)
Payments for Employee Benefits	
Payments to Suppliers	
Net Cash Provided by (used for) Operating Activities	<u>82,678</u>
Cash Flows from Non-capital Financing Activities:	
Operating subsidies and transfers to other funds	(41,339)
Net Cash Provided by Non-capital Financing Activities	<u>(41,339)</u>
Cash Flows from Capital and Related Financing Activities	
Net Cash Provided by Capital and Related Financing Activities	
Cash Flows from Investing Activities	
Net Cash Provided by Investing Activities	
Net Increase in Cash	41,339
Cash and Cash Equivalents, July 1	<u>60,594</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 101,933</u></u>
 Operating Income (Loss)	 \$ 41,339
Adjustments to Reconcile Operating Income (Loss) to	
Cash Used by Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	
(Increase) Decrease in Interfund Receivable	
Increase (Decrease) in Unearned Revenue	41,339
Increase (Decrease) in Accounts Payable	
Total Adjustments	<u>41,339</u>
Net Cash Used by Operating Activities	<u><u>\$ 82,678</u></u>

LONG-TERM DEBT SCHEDULES

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

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
LOANS PAYABLE
JUNE 30, 2024

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024
			Date	Amount					
Serial Bonds for Various renovations, alterations, improvements, and upgrades	4/28/2022	\$ 3,060,000	2/15/25	\$ 120,000	3.500%	\$ 3,060,000	\$	\$ 220,000	\$ 2,840,000
			2/15/26-27	125,000	3.750%				
			2/15/28	130,000	3.750%				
			2/15/29	135,000	3.750%				
			2/15/30	140,000	4.000%				
			2/15/31	145,000	4.000%				
			2/15/32	150,000	4.000%				
			2/15/33	155,000	4.000%				
			2/15/34	160,000	4.000%				
			2/15/35	165,000	4.000%				
			2/15/36-37	170,000	4.000%				
			2/15/38	175,000	4.000%				
			2/15/39	185,000	4.000%				
			2/15/40	190,000	4.000%				
			2/15/41-42	200,000	4.000%				
Totals						\$ 3,060,000	\$	\$ 220,000	\$ 2,840,000

EXHIBIT I-3

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 89,384	\$	\$ 89,384	\$ 89,384	\$
State Sources:					
Debt Service Aid Type II	250,031		250,031	250,031	
TOTAL REVENUES	<u>339,415</u>		<u>339,415</u>	<u>339,415</u>	
EXPENDITURES:					
Regular Debt Service					
Interest	119,415		119,415	119,415	
Redemption of Principal	220,000		220,000	220,000	
Total Regular Debt Service	<u>339,415</u>		<u>339,415</u>	<u>339,415</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Other Financing Sources (Uses)					
Operating Transfers In					
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Sources					
Fund Balance, July 1					
Fund Balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATISTICAL SECTION

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 3,135,878	\$ 3,033,507	\$ 2,971,526	\$ 2,952,525	\$ 2,962,291	\$ 3,342,655	\$ 4,277,076	\$ 3,528,139	\$ 4,913,697	\$ 7,134,481
Restricted	458,314	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330	5,335,582	4,164,309	3,120,042
Unrestricted (Deficit)	(3,364,659)	(3,264,548)	(3,547,631)	(3,760,715)	(3,559,303)	(3,751,698)	(3,529,110)	(3,372,111)	(2,996,444)	(3,183,938)
Total Governmental Activities Net Position	\$ 229,533	\$ 453,000	\$ (149,696)	\$ 48,816	\$ 663,591	\$ 1,499,333	\$ 3,290,296	\$ 5,491,610	\$ 6,081,562	\$ 7,070,585
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 6,316	\$ 5,579	\$ 4,842	\$ 32,142	\$ 28,947	\$ 26,062	\$ 23,177	\$ 20,292	\$ 17,407	\$ 20,483
Restricted										
Unrestricted	34,198	54,931	71,701	63,868	79,369	92,881	90,105	171,165	220,941	225,731
Total Business-Type Activities Net Position	\$ 40,514	\$ 60,510	\$ 76,543	\$ 96,010	\$ 108,316	\$ 118,943	\$ 113,282	\$ 191,457	\$ 238,348	\$ 246,214
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 3,142,194	\$ 3,039,086	\$ 2,976,368	\$ 2,984,667	\$ 2,991,238	\$ 3,368,717	\$ 4,300,253	\$ 3,548,431	\$ 4,931,104	\$ 7,154,964
Restricted	458,314	684,041	426,409	857,006	1,260,603	1,908,376	2,542,330	5,335,582	4,164,309	3,120,042
Unrestricted (Deficit)	(3,330,461)	(3,209,617)	(3,475,930)	(3,696,847)	(3,479,934)	(3,658,817)	(3,439,005)	(3,200,946)	(2,775,503)	(2,958,207)
Total District-Wide Net Position (Deficit)	\$ 270,047	\$ 513,510	\$ (73,153)	\$ 144,826	\$ 771,907	\$ 1,618,276	\$ 3,403,578	\$ 5,683,067	\$ 6,319,910	\$ 7,316,799

Source: ACFR Schedule A-1

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 2,992,460	3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998	3,111,367	3,629,615	3,941,525
Special Education	783,996	748,881	753,564	784,927	486,594	797,622	682,440	705,805	566,499	571,901
Other Special Education	47,560	38,498	62,650	68,317	94,024	93,444	173,553	162,583	25,141	8,431
Other Instruction	4,629	3,659	4,110	12,234	4,865	6,085	4,012	6,980	12,359	8,288
Support Services										
Tuition	4,520,147	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067	3,202,622	3,242,440	3,613,147
Student and Instruction Related Services	935,886	914,259	1,134,241	1,216,846	1,101,070	1,293,201	1,022,609	1,242,715	1,342,906	1,369,989
General and Business Administrative Services	242,672	284,983	330,818	338,703	280,206	301,126	356,692	353,533	356,683	356,266
School Administrative Services	367,393	207,643	319,895	300,793	271,668	284,213	251,992	189,683	178,722	138,327
Central Services	122,355	142,631	152,448	141,143	150,042	139,147	137,385	142,918	150,320	157,840
Administrative Information Technology	64,856	68,157	52,373	75,766	61,613	45,248	92,860	100,175	100,434	100,202
Plant Operations and Maintenance	729,946	722,482	749,379	743,947	824,073	993,991	885,630	(132,889)	1,007,017	1,115,652
Pupil Transportation	992,679	955,269	869,962	755,234	765,550	644,136	481,413	956,821	1,111,297	1,338,275
Business and Other Support Services	3,548,718	3,409,017	4,481,458	5,395,286	4,123,027	3,850,292	4,660,179	3,203,766	2,581,929	2,590,395
Interest on Long-Term Debt	68,680	60,983	54,664	45,639	38,282	30,818	20,503	26,622	96,231	151,354
Principal										
Unallocated Depreciation	323,103	307,727	293,333	292,097	265,991	273,021	247,525	377,952	540,695	731,828
Total Governmental Activities Expenses	15,745,080	15,301,914	17,053,766	17,282,444	16,261,453	15,257,125	15,130,858	13,650,653	14,942,288	16,193,420
Business-Type Activities										
Food Service	424,230	453,151	427,617	472,920	443,391	410,077	309,291	401,088	487,613	430,682
Extended Day	17,975	14,824	15,177	17,108						
Total Business-Type Activities Expense	442,205	467,975	442,794	490,028	443,391	410,077	309,291	401,088	487,613	430,682
Total District Expenses	\$ 16,187,285	15,769,889	17,496,560	17,772,472	16,704,844	15,667,202	15,440,149	14,051,741	15,429,901	16,624,102
Program Revenues										
Governmental Activities										
Charges for Services							52,418	13,069	12,782	15,575
Operating Grants and Contributions	\$ 1,845,138	1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,886,880	2,352,960	3,084,724	3,716,563
Total Governmental Activities Program Revenues	1,845,138	1,791,626	1,740,000	1,804,785	1,917,893	1,764,724	1,939,298	2,366,029	3,097,506	3,732,138
Business-Type Activities										
Charges for Services										
Food Service	45,351	18,089	14,660	20,214	24,463	16,873	5,214	30,406	27,220	12,494
Extended Day	16,641	31,769	26,293	18,758	1,187					
Shared Services						48,792				
Operating Grants and Contributions	346,831	438,093	417,848	429,626	429,970	403,192	298,380	448,810	507,116	425,888
Total Business-Type Activities Program Revenues	408,823	487,951	458,801	468,598	455,620	468,857	303,594	479,216	534,336	438,382
Total District Program Revenues	\$ 2,253,961	2,279,577	2,198,801	2,273,383	2,373,513	2,233,581	2,242,892	2,845,245	3,631,842	4,170,520
Net (Expense)/Revenue										
Governmental Activities	\$ (13,899,942)	(13,510,288)	(15,313,766)	(15,477,659)	(14,343,560)	(13,492,401)	(13,191,560)	(11,284,624)	(11,844,782)	(12,461,282)
Business-Type Activities	(33,382)	19,976	16,007	(21,430)	12,229	58,780	(5,697)	78,128	46,723	7,700
Total District-Wide Net Expense	\$ (13,933,324)	(13,490,312)	(15,297,759)	(15,499,089)	(14,331,331)	(13,433,621)	(13,197,257)	(11,206,496)	(11,798,059)	(12,453,582)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 1,767,443	1,802,791	1,838,847	1,875,624	1,961,219	2,020,978	2,133,285	2,175,951	2,219,470	2,268,513
Taxes Levied for Debt Service	104,954	111,343	106,324	103,163	110,108	104,992	103,332	96,957	88,564	89,384
Unrestricted Grants and Contributions	11,568,496	11,598,553	12,297,191	13,042,311	12,269,625	11,826,648	12,247,167	11,179,832	10,067,324	11,049,098
Investment Earnings	843	750	848	972	817	16,482	1,529	3,313	15,583	8,225
Miscellaneous Income	131,628	220,318	467,860	718,393	694,123	350,520	315,551	33,666	105,299	31,280
Other Adjustments				22,090			(39,554)	(9,000)	293	325
Transfers	(119,417)			(86,382)	(77,557)	(40,269)	(13,820)		(61,799)	3,480
Right-to-Use Lease Adjustment								5,219		
Total Governmental Activities	13,453,947	13,733,755	14,711,070	15,676,171	14,958,335	14,279,351	14,747,490	13,485,938	12,434,734	13,450,305
Business-Type Activities										
Investment Earnings	18	20	26	31	77	639	36	47	168	166
Other Adjustments				30,305						
Transfers	35,342			10,561						
Total Business-Type Activities	35,360	20	26	40,897	77	639	36	47	168	166
Total District-Wide	\$ 13,489,307	13,733,775	14,711,096	15,717,068	14,958,412	14,279,990	14,747,526	13,485,985	12,434,902	13,450,471
Change in Net Position										
Governmental Activities	\$ (445,995)	223,467	(602,696)	198,512	614,775	786,950	1,555,930	2,201,314	589,952	989,023
Business-Type Activities	1,978	19,996	16,033	19,467	12,306	59,419	(5,661)	78,175	46,891	7,866
Total District-Wide	\$ (444,017)	243,463	(586,663)	217,979	627,081	846,369	1,550,269	2,279,489	636,843	996,889

Source: ACFR Schedule A-2

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	<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>
General Fund										
Restricted	\$ 231,373	\$ 635,742	\$ 406,954	\$ 808,719	\$ 1,212,331	\$ 2,118,751	\$ 3,520,651	\$ 3,258,739	\$ 3,564,446	\$ 3,662,813
Assigned							76,075	426,597	231,615	36,808
Unassigned (Deficit)	(478,360)	(694,608)	(773,028)	(751,851)	(595,073)	(608,024)	(430,491)	(357,418)	(371,355)	(426,314)
Total General Fund	<u>\$ (246,987)</u>	<u>\$ (58,866)</u>	<u>\$ (366,074)</u>	<u>\$ 56,868</u>	<u>\$ 617,258</u>	<u>1,510,727</u>	<u>3,166,235</u>	<u>\$ 3,327,918</u>	<u>\$ 3,424,706</u>	<u>\$ 3,273,307</u>
All Other Governmental Funds										
Restricted	\$ 48,554	\$ 48,554	\$ 48,554	\$ 48,554	\$ 48,554	\$ 48,554	\$ 73,807	\$ 75,165	\$ 40,131	\$ 36,474
Committed to Capital Projects Fund							9,000	2,656,807	1,214,861	75,884
Unassigned, Reported in:										
Special Revenue Fund (Deficit)	(36,495)	(32,116)	(35,035)	(27,006)	(30,377)	(30,816)	(29,812)	(70,303)	(86,242)	(112,360)
Debt Service Fund		6,191	6,191							
Total All Other Governmental Funds	<u>\$ 12,059</u>	<u>\$ 22,629</u>	<u>\$ 19,710</u>	<u>\$ 21,548</u>	<u>\$ 18,177</u>	<u>\$ 17,738</u>	<u>\$ 52,995</u>	<u>\$ 2,661,669</u>	<u>\$ 1,168,750</u>	<u>\$ (2)</u>

Source: ACFR Schedule B-1

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 1,872,397	\$ 1,914,134	\$ 1,945,171	\$ 1,978,787	\$ 2,071,327	\$ 2,125,970	\$ 2,236,617	\$ 2,272,908	\$ 2,308,034	\$ 2,357,897
Tuition			58,151	268,264	323,539	163,531	80,401	925	200	
Child Study Team			249,410	305,501	283,005	28,300				
Interest Earnings	843	750	848	972	139	16,482	1,529	3,313	15,583	8,225
Miscellaneous	131,628	220,318	160,299	144,628	88,257	158,689	235,150	32,741	105,099	198,947
State Sources	11,559,713	11,536,340	11,707,490	11,822,303	12,212,408	12,122,038	11,510,577	11,889,933	11,654,262	12,169,736
Federal Sources	916,748	812,964	782,197	946,052	978,097	837,486	1,032,176	1,623,803	2,026,875	3,502,264
Total Revenues	14,481,329	14,484,506	14,903,566	15,466,507	15,956,772	15,452,496	15,096,450	15,823,623	16,110,053	18,237,069
Expenditures										
Instruction										
Regular Instruction	2,992,460	3,022,514	2,926,584	3,169,459	3,330,579	2,888,015	2,927,998	3,111,367	3,629,615	3,941,525
Special Education Instruction	783,996	748,881	753,564	784,927	486,594	797,622	682,440	705,805	566,499	571,901
Other Special Instruction	47,560	38,498	62,650	68,317	94,024	93,444	173,553	162,583	25,141	8,431
Other instruction	4,629	3,659	4,110	12,234	4,865	6,085	4,012	6,980	12,359	8,288
Support Services										
Tuition	4,520,147	4,415,211	4,868,287	3,942,053	4,463,869	3,616,766	3,186,067	3,202,622	3,242,440	3,613,147
Student and Instruction Related Services	935,886	914,259	1,134,241	1,216,846	1,101,070	1,244,409	970,191	1,229,646	1,367,953	1,364,689
School Administrative Services	367,393	207,643	319,895	300,793	271,668	284,213	251,992	189,683	178,722	138,327
General Administrative Services	242,672	284,983	330,818	338,703	280,206	301,126	356,692	353,533	356,683	356,266
Central Services & Info. Techn.	187,211	210,788	204,821	216,909	211,655	184,395	230,245	243,093	250,754	258,042
Plant Operations and Maintenance	729,946	722,482	749,379	743,947	824,073	993,991	885,630	855,616	1,007,017	1,115,652
Pupil Transportation	992,679	955,269	869,962	755,234	765,550	644,136	481,413	956,821	1,111,297	1,338,275
Employee Benefits	2,596,531	2,491,955	2,700,866	3,105,415	3,170,959	3,027,692	2,980,272	3,386,051	3,364,796	3,607,793
Capital Outlay	93,408	14,626	30,622	35,264	50,012	182,640	206,201	1,465,331	2,242,545	2,731,282
Debt Service										
Principal	195,000	200,000	210,000	225,000	235,000	230,000	235,000	230,000		220,000
Interest and Other Charges	61,238	55,047	47,894	40,244	32,072	24,663	15,638	5,175	88,564	119,415
Total Expenditures	14,750,756	14,285,815	15,213,693	14,955,345	15,322,196	14,519,197	13,587,344	16,104,306	17,444,385	19,393,033
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(269,427)	198,691	(310,127)	511,162	634,576	933,299	1,509,106	(280,683)	(1,334,332)	(1,155,964)
Other Financing Sources (Uses)										
Transfers, Net	(119,417)			(86,382)	(77,557)	(40,269)	(53,374)	3,051,040	(61,799)	(164,187)
Total Other Financing Sources (Uses)	(119,417)	-	-	(86,382)	(77,557)	(40,269)	(53,374)	3,051,040	(61,799)	(164,187)
Net Change in Fund Balances	\$ (388,844)	\$ 198,691	\$ (310,127)	\$ 424,780	\$ 557,019	\$ 893,030	\$ 1,455,732	\$ 2,770,357	\$ (1,396,131)	\$ (1,320,151)
Debt Service as a Percentage of										
Noncapital Expenditures	1.7%	1.8%	1.7%	1.8%	1.7%	1.8%	1.9%	1.6%	0.6%	2.0%

Source: ACFR Schedule B-2

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>CST Agreement</u>	<u>Transportation and Tuition Revenue</u>	<u>Prior Years Tuition</u>	<u>Prior Year Order Adjustments</u>	<u>E-Rate</u>	<u>Misc.</u>	<u>Total</u>
2024	\$ 7,477	\$	\$	\$	\$	\$	\$ 177,295	\$ 184,772
2023	9,989				425	75,659	17,073	103,146
2022	2,481		925		16,872		1,109	21,387
2021	9,280		80,401		20,012	71,996	126,709	308,398
2020	1,765	28,300	163,531	32,463	20,012	32,596	46,340	325,007
2019	743	283,005	323,539	365		41,508	5,746	654,906
2018	946	305,501	268,264	2,006	22,469	43,292	35,066	677,544
2017	822		58,151	23,919	6,124	57,448	20,801	167,265
2016	723			33,078	1,136	85,795		120,732
2015	815			27,412	8,188	88,761	4,593	129,769

Source: District Records

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2024	\$ 16,919,500	\$ 228,019,000	\$ 2,304,500	\$ 1,190,200	\$ 10,589,900	\$ 12,281,100	\$	\$ 271,304,200	\$	\$ 271,304,200	\$ 0.893	\$ 293,175,059
2023	17,584,700	227,867,800	2,304,500	465,000	10,589,100	12,281,100		271,092,200		271,092,200	0.866	279,303,730
2022	17,628,800	227,884,600	2,307,300	434,400	10,589,100	12,281,100		271,125,300		271,125,300	0.849	253,564,472
2021	17,858,200	229,484,000	2,308,100	470,700	10,598,700	12,240,200		272,959,900		272,959,900	0.831	244,215,711
2020	17,838,900	231,755,700	2,375,400	488,800	11,291,500	12,417,400		276,167,700		276,167,700	0.808	242,061,267
2019	17,908,000	234,565,500	2,385,300	464,300	11,758,000	12,417,400		279,498,500		279,498,500	0.759	222,530,653
2018	17,764,100	237,641,200	2,090,000	401,000	11,897,500	12,628,700		282,422,500		283,114,700	0.732	240,564,310
2017	17,469,800	237,857,000	2,480,100	444,300	12,052,600	12,810,900		283,114,700		283,114,700	0.697	232,619,624
2016	17,806,100	238,291,700	2,529,300	463,500	12,289,700	12,810,900		284,191,200		284,191,200	0.683	224,015,848
2015	17,931,300	240,208,800	3,001,700	478,100	12,306,300	12,810,900		286,737,100	1,246,229	287,983,329	0.700	231,090,506

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

* Estimate

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Commercial Township Board of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Commercial Township	Cumberland County	Total
2024	\$ 0.859	\$ 0.034	\$ 0.893	\$ 0.684	\$ 1.034	\$ 2.611
2023	0.833	0.033	0.866	0.639	1.071	2.576
2022	0.813	0.036	0.849	0.617	1.092	2.558
2021	0.793	0.038	0.831	0.587	1.101	2.519
2020	0.768	0.040	0.808	0.567	1.085	2.460
2019	0.719	0.040	0.759	0.568	0.953	2.280
2018	0.692	0.040	0.732	0.567	1.003	2.302
2017	0.656	0.041	0.697	0.567	0.951	2.215
2016	0.630	0.068	0.683	0.568	0.882	2.133
2015	0.660	0.040	0.700	0.567	0.897	2.164

* First Year of Revaluation.

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

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.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2024		2016	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 8,025,300	2.96%	\$ 4,992,300	1.71%
U.S. Silica Co.	3,344,700	1.23%	2,690,700	0.92%
Exelon Generation Co. LLC	2,682,900	0.99%	2,575,400	0.88%
Silvi Concrete of Chester County	1,443,300	0.53%		
Taxpayer # 1	1,280,700	0.47%	986,000	0.34%
Taxpayer # 2	1,190,900	0.44%	606,200	0.21%
Mourvedre LLC	1,169,800	0.43%		
Bryan & Cobourne LLC	1,140,900	0.42%		
Doris Levari INC	1,109,600	0.41%		
Levari Family LLC	1,109,200	0.41%		
Ricci Bros Sand Co.			1,187,000	0.41%
Wilbco Inc. (Ackley)			1,388,400	0.48%
Verizon Dist. 3			886,882	0.30%
Surfside Products LLC			733,600	0.25%
Port Norris Marina Inc.			646,200	0.22%
Total	\$ 22,497,300	8.29%	\$ 16,692,682	5.71%

Source: District ACFR & Municipal Tax Assessor

EXHIBIT J-9

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2024	\$ 2,357,897	\$ 2,357,897	100.00%	\$
2023	2,308,034	2,308,034	100.00%	
2022	2,272,908	2,272,908	100.00%	
2021	2,236,617	2,236,617	100.00%	
2020	2,125,970	2,125,970	100.00%	
2019	2,071,327	2,071,327	100.00%	
2018	1,978,787	1,978,787	100.00%	
2017	1,945,171	1,945,171	100.00%	
2016	1,914,134	1,914,134	100.00%	
2015	1,872,397	1,872,397	100.00%	

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

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2024	\$ 2,840,000	\$	\$	\$	\$ 2,840,000	1.35%	\$	617
2023	3,060,000				3,060,000	1.45%		662
2022	3,060,000				3,060,000	1.43%		651
2021	230,000				230,000	0.11%		55
2020	465,000				465,000	0.24%		110
2019	695,000				695,000	0.36%		149
2018	930,000				930,000	0.48%		189
2017	1,155,000				1,155,000	0.60%		229
2016	1,365,000				1,365,000	0.73%		270
2015	1,565,000				1,565,000	0.84%		305

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

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

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2024	\$ 2,840,000		\$ 2,840,000	0.41%	617
2023	3,060,000		3,060,000	0.41%	662
2022	3,060,000		3,060,000	0.41%	651
2021	230,000		230,000	0.41%	49
2020	465,000		465,000	0.41%	96
2019	695,000		695,000	0.41%	142
2018	930,000		930,000	0.41%	188
2017	1,155,000		1,155,000	0.41%	232
2016	1,365,000		1,365,000	0.48%	272
2015	1,565,000		1,565,000	0.54%	309

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

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

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

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Commercial Township	\$ 2,417,732	100%	\$ 2,417,732
Other Debt			
County of Cumberland - Township share	89,195,782	2.62%	2,340,191
Subtotal, Overlapping Debt			4,757,923
Commercial Township School District Direct Debt			2,840,000
Total Direct and Overlapping Debt			<u>\$ 7,597,923</u>

Sources: Commercial Township Chief Financial Officer and Cumberland County Finance Office

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 Commercial. 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.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis
2023	\$ 292,945,969
2022	279,337,832
2021	253,868,955
	<u>[A] \$ 826,152,756</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 275,384,252</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] \$ 8,261,528 a</u>
Net Bonded School Debt	<u>[C] 2,840,000</u>
Legal Debt Margin	<u>[B-C] \$ 5,421,528</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 7,301,999	\$ 7,049,170	\$ 6,885,642	\$ 6,977,432	\$ 6,980,622	\$ 7,231,324	\$ 7,169,251	\$ 7,459,354	\$ 7,802,925	\$ 8,261,528
Total Net Debt Applicable to Limit	1,565,000	1,365,000	1,155,000	930,000	695,000	465,000	230,000	3,060,000	3,060,000	2,840,000
Legal Debt Margin	<u>\$ 5,736,999</u>	<u>\$ 5,684,170</u>	<u>\$ 5,730,642</u>	<u>\$ 6,047,432</u>	<u>\$ 6,285,622</u>	<u>\$ 6,766,324</u>	<u>\$ 6,939,251</u>	<u>\$ 4,399,354</u>	<u>\$ 4,742,925</u>	<u>\$ 5,421,528</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21%	19%	17%	13%	10%	6%	3%	41%	39%	34%

Source: Abstract of Ratables and District Records

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

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>		<u>Population ^a</u>		<u>Personal Income (thousands of dollars) ^b</u>		<u>Per Capita Personal Income ^{c (1)}</u>	<u>Unemployment Rate ^d</u>
2024	*	4,601	\$	211,001,212	\$	45,860	8.83%
2023	*	4,625		210,849,317		46,323	8.10%
2022		4,633		214,222,906		46,791	6.80%
2021		4,701		200,110,412		47,559	10.00%
2020		4,857		191,575,786		45,498	13.50%
2019		4,905		192,346,132		41,327	7.20%
2018		4,953		193,795,651		39,448	9.10%
2017		4,974		193,570,461		38,353	10.60%
2016		5,013		187,601,120		37,100	12.40%
2015		5,057		186,168,398		36,322	13.80%

* Estimate

(1) Information for Cumberland County

Source:

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

^b Personal income

^c Per Capita

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

N/A - Not Available at time of Audit

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,874	5.37%	2,911	4.16%
F & S Produce/Pipcp Transportation	1,201	1.67%	684	0.98%
Wal-Mart	791	1.10%	916	1.31%
Wawa	777	1.08%	605	0.86%
Durand Glass Manufacturing Co./ARC Interr	580	0.80%	1,000	1.43%
ShopRite	751	1.04%		
Sheppard Bus Service	575	0.80%	650	0.93%
Elwyn New Jersey	236	0.33%	458	0.65%
AJM Packaging	481	0.67%	229	0.33%
Northeast Precasg	436	0.60%		
Ardagh Group	366	0.51%		
Seabrook Brothers & Sons, Inc	271	0.38%	571	0.82%
Ardagh Group	363	0.50%	363	0.52%
Complete Care	305	0.42%	345	0.49%
South State, Inc	345	0.48%	298	0.43%
Corning Glass	245	0.34%	200	0.29%
Nipro PharmaPackaging Americas Corp	274	0.38%	277	0.40%
Gerresheimer Glass	174	0.24%	300	0.43%
	<u>12,045</u>	<u>16.70%</u>	<u>9,807</u>	<u>14.02%</u>

Source:

This information is for the County of Cumberland.

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
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	46	49	49	51	55	51	34	37	37	48
Special Education	16	15	18	16	9	21	18	22	22	13
Support Services:										
Tuition										
Student & Instruction Related Services	6	6	13	12	10	5	5	5	5	5
General Administrative Services	1	1	4	4	2	2	2	2	2	3
School Administrative Services	3	3	3	3	3	3	3	3	3	3
Business Administrative Services	2	2	2	2	1	1	1	1	1	1
Plant Operations and Maintenance	1	1	1	1	1	1	1	1	1	1
Food Service										
Transportation				7	9	6	6	7	5	6
Nursing				2	2	2	1	1	1	1
Total	<u>75</u>	<u>77</u>	<u>90</u>	<u>98</u>	<u>92</u>	<u>92</u>	<u>71</u>	<u>79</u>	<u>77</u>	<u>81</u>

Source: District Personnel Records

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2024	471	\$ 19,393,033	\$ 18,691	29.1%	44	10.7:1	462.9	430.1	-14.48%	92.91%
2023	462	17,444,385	14,475	2.5%	37	12.5: 1	489.7	441.74	-9.54%	90.21%
2022	468	16,104,306	14,123	-52.6%	37	12.7: 1	453.9	411.3	-16.15%	90.61%
2021	456	13,587,344	29,797	4.0%	34	13.4: 1	441.2	387.7	-18.49%	87.87%
2020	507	14,519,197	28,637	1.1%	51	9.9 : 1	493.2	459.9	-8.89%	93.25%
2019	541	15,322,196	28,322	0.4%	55	9.8 : 1	540.7	532.9	-0.11%	98.56%
2018	530	14,955,345	28,218	3.5%	51	10.4 : 1	541.3	504.7	-2.63%	93.24%
2017	558	15,213,693	27,265	11.3%	49	11.4 : 1	555.9	519.0	-2.73%	93.36%
2016	572	14,016,142	24,504	-3.5%	47	12.2 : 1	571.5	537.5	0.88%	94.05%
2015	567	14,401,110	25,399	5.6%	59	10.1 : 1	566.5	530.1	-5.85%	93.58%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- 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).

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District Building										
Elementary										
Haleyville-Mauricetown (1968)										
Square Feet	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975
Capacity (students)	430	430	430	430	430	430	430	430	430	430
Enrollment	396	404	399	374	373	357	456	468	468	471
Middle School										
Port Norris School (1916)										
Square Feet	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875	49,875
Capacity (students)	248	248	248	248	248	248	248	248	248	248
Enrollment	171	168	159	155	168	150	0	0	0	0
Other										
Central Administration (1998)										
Square Feet	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900

Number of Schools at June 30, 2023

Elementary = 1
Middle = 1
High School = 0
Other = 1

Source: District records, ASSA

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

*** Port Norris Middle School Closed as of 7/1/2020

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Haleyville-Mauricetown		\$	\$	\$	\$ 267,883	\$ 177,288	\$ 154,419	\$ 97,833	\$ 92,422	\$ 71,017	\$ 79,210
Port Norris Middle					15,350	128,497	120,103	98,578	83,522	63,163	60,909
Commercial Township Sch	65,975	433,564	308,380	244,168							
Total School Facilities		433,564	308,380	244,168	283,233	305,785	274,522	196,411	175,944	134,180	140,119
Other Facilities	1,900				8,285	3,493	11,438	5,120	11,418	12,553	4,115
Grand Total		\$ 433,564	\$ 308,380	\$ 244,168	\$ 291,518	\$ 309,278	\$ 285,960	\$ 201,531	\$ 187,362	\$ 146,733	\$ 144,234

COMMERCIAL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey Schools Insurance Group	Real and Personal Property	\$ 350,000,000	\$ 5,000
	Extra Expense	50,000,000	5,000
	Valuable Papers and Records	10,000,000	5,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limited Builders Risk	10,000,000	
	Fire Department Service Charge	10,000	
	Arson Reward	10,000	
	Pollutant Cleanup and Removal	250,000	
	Sublimits: Spec Flood Haz. Area Flood Zones	25,000,000	500,000
	Accounts Receivable	250,000	
	All Flood Zones	75,000,000	10,000
	Earthquake	50,000,000	
	Terrorism	1,000,000	
	Hardware/Software	350,000,000	
	Combined Single Limit per Accident for		
	Property Damage and Business Income	100,000,000	5,000 per accident
	Public Employee Dishonesty with Faithful		
	Performance	50,000	1,000
	Theft, Disappearance and Destruction - Loss		
	of Money & Securities On or Off Premises	50,000	500
	Money Orders & Counterfeit Paper Currency	50,000	500
	Forgery or Alteration	50,000	500
	Computer Fraud	50,000	500
	Bodily Injury and Property Damage	16,000,000	
	Products and Completed Operations	16,000,000	
	Sexual Abuse	15,000,000	
	Personal Injury and Advertising Injury	16,000,000	
	Employee Benefits Liability	16,000,000	1,000
	Premises Medical Payments	10,000	5,000
The Hartford	Public Official Bond - Business		
	Administrator/Board Secretary	100,000	
N.J. School Boards Insurance Group	Workers' Compensation	3,000,000	
American International	Student Accident	1,000,000	

* Blanket Bond Positions are excluded

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
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INDEPENDENT AUDITOR'S 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

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education of the Commercial Township School District's basic financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commercial Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read 'Raymond Colavita', is written over the printed name.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 11, 2024

NIGHTLINGER, COLAVITA & VOLPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

The Honorable President and
Members of the Board of Education
Commercial Township School District
County of Cumberland, New Jersey 08349

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit 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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs for the year ended June 30, 2024. The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

We are required to be independent of The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey 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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey'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 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Education of the Commercial Township School District, in the County of Cumberland, State of New Jersey's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

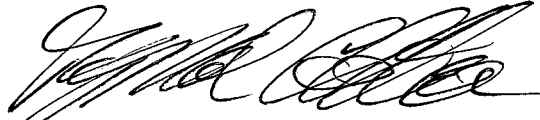
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA

A handwritten signature in black ink, appearing to read 'Raymond Colavita', written over a horizontal line.

Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 11, 2024

TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023	Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2024		
					From	To						Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services:														
General Fund														
Medical Assistance Program (SEMI)	93.778	24005NJMAP	N/A	\$ 423	7/1/23	6/30/24	\$	\$	\$	\$	\$	\$	\$	\$
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Non-Cash Assistance:														
U.S.D.A. Food Distribution Program	10.585	Unknown	N/A	30,780	7/1/23	6/30/24		30,780	(29,372)		(29,372)		1,408	
Cash Assistance:														
Fresh Fruits and Vegetable Program	10.582	241NJ304L1603	N/A	23,418	7/1/23	6/30/24		23,418	(23,418)		(23,418)			
Child Nutrition Cluster:														
School Breakfast Program	10.553	241NJ304N1099	N/A	107,953	7/1/23	6/30/24		101,422	(107,953)		(107,953)	(6,531)		
School Breakfast Program	10.553	231NJ304N1099	N/A	146,103	7/1/22	6/30/23	(41,484)	41,484						
National School Lunch Program	10.555	241NJ304N1099	N/A	236,148	7/1/23	6/30/24		223,179	(236,148)		(236,148)	(12,969)		
National School Lunch Program	10.555	231NJ304N1099	N/A	254,095	7/1/22	6/30/23	(70,718)	70,718						
National School Snack Program	10.555	241NJ304N1099	N/A	3,794	7/1/23	6/30/24		3,654	(3,794)		(3,794)	(140)		
Supply Chain Assistance Funding	10.555	241NJ344N8903	N/A	15,456	7/1/23	6/30/24		15,456	(15,456)		(15,456)			
Summer-EBT Administrative Cost	10.646	202424N180341	N/A	322	7/1/24	6/30/24			(322)		(322)	(322)		
P-EBT Administrative Cost Reimbursement	10.649	2022225900941	N/A	653	7/1/22	6/30/23	(653)	653						
Total U.S. Department of Agriculture							(112,855)	510,764	(416,463)		(416,463)	(19,962)	1,408	
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
IDEA Cluster:														
I.D.E.A. Part B Basic	84.027A	H027A230100	IDEA0950-24	194,633	7/1/23	9/30/24		60,351	(201,167)		(201,167)	(140,816)		
I.D.E.A. Part B Basic	84.027A	H027A240100	IDEA0950-23	163,721	7/1/22	9/30/23	(59,832)	59,832						
I.D.E.A. Part B, Pre-school	84.173	H173A240114	IDEA0950-24	12,485	7/1/23	9/30/24			(5,951)		(5,951)	(5,951)		
I.D.E.A. Part B, Pre-school	84.173	H173A230114	IDEA0950-23	6,098	7/1/22	9/30/23	(6,096)	6,096						
ARP I.D.E.A. Part B, Pre-school	84.173X	H173X230114	IDEA0950-22	2,211	7/1/21	9/30/22		2,211	(2,211)		(2,211)			
E.S.E.A.:														
Title I	84.010	S010A240030	ESEA0950-24	523,317	7/1/23	9/30/24			(448,411)		(448,411)	(448,411)		
Title I	84.010	S010A230030	ESEA0950-23	424,409	7/1/22	9/30/23	(182,667)	182,667						
Title I - SIA Part A	84.010	S010A240030	ESEA0950-24	110,300	7/1/23	9/30/24			(89,075)		(89,075)	(89,075)		
Title I - SIA Part A	84.010	S010A230030	ESEA0950-23	40,600	7/1/22	9/30/23	(10,385)	10,385						
Title II A	84.367A	S367A240029	ESEA0950-24	46,062	7/1/23	9/30/24			(33,914)		(33,914)	(33,914)		
Title II A	84.367A	S367A230029	ESEA0950-23	41,845	7/1/22	9/30/23	(6,317)	6,317						
Title VI	84.358B	S358B240030	ESEA0950-24		7/1/23	9/30/24			(362)		(362)	(362)		
Education Stabilization Fund:														
CRRSA Consolidated:														
CRRSA-ESSER II (Emergency Relief)	84.425D	S425D230027	CRRSA 0950-23	1,493,347	3/13/20	9/30/23	(651,930)	654,818	(2,888)		(2,888)			
CR Learning Acceleration	84.425D	S425D230027	CRRSA 0950-23	95,835	3/13/20	9/30/23	(39,423)	68,058	(28,635)		(28,635)			
CR Mental Health	84.425D	S425D230027	CRRSA 0950-23	45,000	3/13/20	9/30/23	(28,982)	28,982						
ARP Consolidated:														
ARP ESSER III	84.425U	S425U240027	ARP 0950-24	3,356,200	3/13/20	9/30/24	(1,373,552)	259,653	(1,808,324)		(1,808,324)	(2,922,223)		
Accelerated Learning (Instruction)	84.425U	S425U240027	ARP 0950-24	67,638	3/13/20	9/30/24			(66,288)		(66,288)	(66,288)		
Summer Learning	84.425U	S425U240027	ARP 0950-24	40,000	3/13/20	9/30/24			(16,630)		(16,630)	(16,630)		
Beyond the School Day	84.425U	S425U240027	ARP 0950-24	40,000	3/13/20	9/30/24			(35,817)		(35,817)	(35,817)		
NJTSS Mental Health Staffing	84.425U	S425U240027	ARP 0950-24	45,000	3/13/20	9/30/24			(44,999)		(44,999)	(44,999)		
Homeless	84.425W	S425W240027	ARP 0950-24	9,831	3/13/20	9/30/24	(9,831)		(512)		(512)	(10,343)		
21st Century Prog - PN	84.287C	S287C240030	CENT0950-24		9/1/23	8/31/24		29,308	(46,849)		(46,849)	(17,541)		
21st Century Prog - PN	84.287C	S287C230030	CENT0950-23	27,909	9/1/22	8/31/23	(4,110)	4,110						
21st Century Prog - HMS	84.287C	S287C240030	CENT0950-24		9/1/23	8/31/24		29,600	(1,497)		(1,497)		28,103	
21st Century Prog - HMS	84.287C	S287C230030	CENT0950-23	24,004	9/1/22	8/31/23	(6,398)	6,398						
21st Century Prog - HMS	84.287C	S287C220030	CENT0950-22	32,097	9/1/21	8/31/22	(3,207)	3,207						
Total U.S. Department of Education							(2,382,730)	1,411,993	(2,833,730)		(2,833,730)	(3,832,570)	28,103	
Total Federal Financial Awards							\$ (2,495,585)	\$ 1,922,757	\$ (3,250,193)	\$	(3,250,193)	\$ (3,852,532)	\$ 29,511	\$

TOWNSHIP OF COMMERCIAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023		Carry-over	Cash Received	Budgetary Expenditures	Balance at June 30, 2024		MEMO	
			From	To	(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Equalization Aid	24-495-034-5120-078	\$ 8,656,404	7/1/23	6/30/24				\$ 7,862,198	\$ (8,656,404)		*	\$ (794,206)	\$ (8,656,404)
Equalization Aid	23-495-034-5120-078	8,720,070	7/1/22	6/30/23	\$ (825,062)			825,062					
Special Education Categorical Aid	24-495-034-5120-089	189,620	7/1/22	6/30/24				172,223	(189,620)	(17,397)	*	(17,397)	(189,620)
Special Education Categorical Aid	23-495-034-5120-089	189,620	7/1/22	6/30/23	(17,941)			17,941					
Extraordinary Aid	24-495-034-5120-044	133,924	7/1/23	6/30/24					(133,924)	(133,924)	*		(133,924)
Extraordinary Aid	23-495-034-5120-044	94,744	7/1/22	6/30/23	(94,744)			94,744					
Maintenance of Equity Aid	23-495-034-5120-128	83,324	7/1/22	6/30/23	(83,324)			83,324					
Nonpublic Transportation	24-495-034-5120-014	1,365	7/1/23	6/30/24					(1,365)	(1,365)	*		(1,365)
Nonpublic Transportation	23-495-034-5120-014	1,560	7/1/22	6/30/23	(1,560)			1,560					
Reimbursed TPAF Social Security Contrib	24-495-034-5094-003	285,141	7/1/23	6/30/24				257,472	(285,141)	(27,669)	*		(285,141)
Reimbursed TPAF Social Security Contrib	23-495-034-5094-003	274,059	7/1/22	6/30/23	(53,960)			53,960					
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	1,300,721	7/1/23	6/30/24				1300721	(1,300,721)		*		(1,300,721)
On-Behalf TPAF Post Retirement Medical	24-495-034-5094-001	354,009	7/1/23	6/30/24				354,009	(354,009)		*		(354,009)
On-behalf TPAF Long-term Disability Contrib.	24-495-034-5094-004	391	7/1/23	6/30/24				391	(391)		*		(391)
Total General Fund					(1,076,591)			11,023,605	(10,921,575)	(974,561)		(811,603)	(10,921,575)
Special Revenue Fund:													
Preschool Education Aid	23-495-034-5120-086	995,100	7/1/22	6/30/23	(86,242)	681,296	\$ (681,296)	86,242					
Preschool Education Aid	24-495-034-5120-086	1,264,050	7/1/23	6/30/24			681,296	1,151,690	(1,081,837)	(112,360)	863,509	*	(1,081,837)
SDA Emergent Needs & Capital Maintenance	24-100-034-5120-086		7/1/23	6/30/24				11,022	(11,022)				(11,022)
Total Special Revenue Fund					(86,242)	681,296		1,248,954	(1,092,859)	(112,360)	863,509		(1,092,859)
Debt Service Fund:													
Debt Service Aid-Type II	24-495-034-5120-017	250,031	7/1/23	6/30/24				250,031	(250,031)		*		(250,031)
State Department of Agriculture:													
Enterprise Fund:													
State Breakfast Prog.	24-100-010-3350-023	4,691	7/1/23	6/30/24				4,407	(4,691)	(284)	*		(4,691)
State Breakfast Prog.	23-100-010-3350-023	5,963	7/1/22	6/30/23	(1,693)			1,693					
State School Lunch Prog.	24-100-010-3350-023	4,413	7/1/23	6/30/24				4,171	(4,413)	(242)	*		(4,413)
State School Lunch Prog.	23-100-010-3350-023	4,307	7/1/22	6/30/23	(1,198)			1,198					
Summer-EBT Administrative Cost	N/A	321	7/1/23	6/30/24					(321)	(321)	*		(321)
Total Enterprise Fund					(2,891)			11,469	(9,425)	(847)			(9,425)
Total State Financial Assistance					\$ (1,165,724)	\$ 681,296	\$	\$ 12,534,059	\$ (12,273,890)	\$ (1,087,768)	\$ 863,509	\$ (923,963)	\$ (12,273,890)
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Pension Contribution	24-495-034-5094-002	1,300,721	7/1/23	6/30/24				\$ 1,300,721	\$ (1,300,721)				
On-Behalf TPAF Post Retirement Medical	24-495-034-5094-001	354,009	7/1/23	6/30/24				354,009	(354,009)				
On-behalf TPAF Long-term Disability Contrib.	24-495-034-5094-004	391	7/1/23	6/30/24				391	(391)				
Total State Financial Assistance - Major Program Determination								\$ 10,878,938	\$ (10,618,769)				

See accompanying notes to schedules of financial assistance

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2024

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$31,400 for the general fund and (\$682,432) for the special revenue fund. See Note 2 (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

COMMERCIAL TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2024
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 423	\$ 10,952,975	\$ 10,953,398
Special Revenue Fund	3,501,841	966,730	4,468,571
Debt Service		250,031	250,031
Food Service Fund	416,463	9,425	425,888
Total Awards & Financial Assistance	\$ <u>3,918,727</u>	\$ <u>12,179,161</u>	\$ <u>16,097,888</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Commercial had no outstanding loans as of June 30, 2024.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2024. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no adjustments noted on Schedule A, Exhibit K-3, Schedule of Federal Awards and no adjustments noted on Schedule K-4, Schedule of State Financial Assistance.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes _____ X no
2) Significant deficiencies identified? _____ yes _____ X none reported

Noncompliance material to basic
financial statements noted?

_____ yes _____ X no

Federal Awards

Internal control over major programs:

- 1) Material weakness (es) identified? _____ yes _____ X no
2) Significant deficiencies identified? _____ yes _____ X none reported

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

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200
section .516(a)?

_____ yes _____ X no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425D	S425D210027	Education Stabilization Fund:
84.425U	S425U210027	CRRSA Consolidated
84.425W	S425W210027	ARP Consolidated
		ARP Homeless

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs: None

Context:

Effect:

Cause:

Recommendation:

Management's response:

**COMMERCIAL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

There were no prior year findings.