

**SANDYSTON-WALPACK
CONSOLIDATED SCHOOL DISTRICT**

**Sandyston-Walpack Consolidated Board of Education
Layton, New Jersey**

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

Annual Comprehensive Financial Report

of the

**SANDYSTON-WALPACK
CONSOLIDATED SCHOOL DISTRICT**

Layton, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**Sandyston-Walpack Consolidated Board of Education
Finance Department**

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT

TABLE OF CONTENTS

FISCAL YEAR ENDED JUNE 30, 2024

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditors' Report	9
------------------------------------	---

Required Supplementary Information	12
Management's Discussion and Analysis.....	13

Basic Financial Statements (Sections A. and B.).....	20
------------------------------------------------------	----

A. District-Wide Financial Statements	21
---------------------------------------------	----

A-1 Statement of Net Position.....	22
------------------------------------	----

A-2 Statement of Activities	23
-----------------------------------	----

B. Fund Financial Statements	25
------------------------------------	----

B-1 Balance Sheet – Governmental Funds.....	26
---------------------------------------------	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	27
--------------------------------------------------------------------------------------------------	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
---------------------------------------------------------------------------------------------------------------------------------------------------------	----

B-4 Statement of Net Position– Proprietary Funds	29
--------------------------------------------------------	----

B-5 Statement of Revenue, Expenses and Changes in Fund Net Position– Proprietary Funds	30
----------------------------------------------------------------------------------------------	----

B-6 Statement of Cash Flows – Proprietary Funds	31
-------------------------------------------------------	----

Notes to the Basic Financial Statements	32
-----------------------------------------------	----

Required Supplementary Information.....	71
-----------------------------------------	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits	
-------------------------------------------------------------------------------------------	--

Other than Pensions.....	72
--------------------------	----

L-1 Schedule of District's Proportionate Share of the Net Liability – Public Employees Retirement System	72
-------------------------------------------------------------------------------------------------------------------	----

L-2 Schedule of District's Contributions – Public Employees Retirement System.....	73
------------------------------------------------------------------------------------	----

L-3 Schedule of State's Proportionate Share of the Net Liability Attributable to the District – Teachers' Pension and Annuity Fund	74
---------------------------------------------------------------------------------------------------------------------------------------------	----

L-4 Schedule of State's Contributions – Teachers' Pension and Annuity Fund.....	75
---------------------------------------------------------------------------------	----

L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios	76
-------------------------------------------------------------------------------------------------------------------------------------------------	----

Notes to Required Supplementary Information	77
---------------------------------------------------	----

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT

TABLE OF CONTENTS

FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C. Budgetary Comparison Schedules	78
C-1 Budgetary Comparison Schedule – General Fund	79
C-2 Budgetary Comparison Schedule - Special Revenue Fund	88
C-3 Budgetary Comparison Schedule – Note to RSI	89

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	90
E. Special Revenue Fund.....	91
E-1 Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis	92
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	95
F-1 Summary Schedule of Revenue, Expenditures and Changes in Fund Balance	96
F-1A Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Partial Roof Replacement from Inception and for the Fiscal Year Ended June 30, 2024	97
G. Proprietary Funds	98
G-1 Statement of Net Position Food Service Enterprise Fund	99
G-2 Statement of Revenue, Expenses and Changes in Fund Net Position Food Service Enterprise Fund.....	100
G-3 Statement of Cash Flows Food Service Enterprise Fund	101
H. Fiduciary Activities (Not Applicable).....	102
I. Long-Term Liabilities	103
I-1 Schedule of Serial Bonds (Not Applicable)	
I-2 Schedule of Obligations Under Financed Purchases (Not Applicable)	
I-3 Schedule of Obligations Under Leases.....	104
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	
I-5 Debt Service Fund Budgetary Comparison Schedule (Not Applicable)	
J. STATISTICAL SECTION (Unaudited).....	105
J-1 Net Position by Component	106
J-2 Changes in Net Position	107
J-3 Fund Balances - Governmental Funds	109
J-4 Changes in Fund Balances - Governmental Funds.....	110
J-5 General Fund Other Local Revenue by Source	111
J-6 Assessed Value and Actual Value of Taxable Property	112
J-7 Direct and Overlapping Property Tax Rates	113

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT

TABLE OF CONTENTS

FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

J. STATISTICAL SECTION (Unaudited) (Cont'd)

J-8	Principal Property Taxpayers, Current and Nine Years Ago	114
J-9	Property Tax Levies and Collections	115
J-10	Ratios of Net Outstanding Debt by Type	116
J-11	Ratios of Net General Bonded Debt Outstanding	117
J-12	Ratios of Overlapping Governmental Activities Debt	118
J-13	Legal Debt Margin Information	119
J-14	Demographic and Economic Statistics	120
J-15	Principal Employers, Current and Nine Years Ago	121
J-16	Full-time Equivalent District Employees by Function/Program	122
J-17	Operating Statistics.....	123
J-18	School Building Information.....	124
J-19	Schedule of Allowable Maintenance Expenditures by School Facility.....	125
J-20	Insurance Schedule.....	126

K. SINGLE AUDIT SECTION 127

K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	128
K-2	Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control over Compliance Required by NJOMB 15-08	130
K-3	Schedule of Expenditures of Federal Awards	133
K-4	Schedule of Expenditures of State Awards	135
K-5	Notes to the Schedules of Expenditures of Federal and State Awards.....	136
K-6	Schedule of Findings and Questioned Costs	138
K-7	Summary Schedule of Prior Audit Findings	139

INTRODUCTORY SECTION
(UNAUDITED)

Sandyston-Walpack Consolidated School District
Sandyston-Walpack Board of Education

100 Route 560
Layton, NJ 07851
973-948-4450 Phone 973-948-4492 Fax

Dr. Lydia E. Furnari
Interim Superintendent
lfurnari@sandystonwalpack.org

Mrs. Tina Palecek
Business Administrator/Board Secretary
tpalecek@sandystonwalpack.org

October 10, 2024

The Honorable President and Members
of the Board of Education
Sandyston-Walpack Consolidated School District
County of Sussex, New Jersey

Dear Honorable President and Board Members:

The annual comprehensive financial report of the Sandyston-Walpack Consolidated School District (the "District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Sandyston-Walpack Consolidated School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Sandyston-Walpack Consolidated School constitutes the District's reporting entity.

The district provides an education to pre-school through sixth grade resident children of Sandyston and Walpack Townships. The teachers follow a board approved curriculum for all subject areas, including core curriculum in English language arts, mathematics, science, and social studies, as well as special classes in physical education, music, art, Spanish, technology, enrichment, and library/media science.

1) REPORTING ENTITY AND ITS SERVICES: (Cont'd)

The curriculum for each content area is formulated by a working group of teachers from each of the four elementary districts within the Kittatinny Regional High School District. Representatives from the high school also participate in these curriculum initiatives. The consortium group is working to revise all curricula to include accommodations and modifications for all at-risk subgroups, per state mandate.

Several homerooms benefit from having two teachers providing instruction in ELA, Math, Science, and Social Studies on a daily basis in in-class support settings. Two special education teachers also provide instruction to students with special needs in the pullout resource centers. A Response to Intervention program is provided for students at risk for academic failure in grades K-6. Two classroom aides also support students, as needed. Our Child Study team and Therapists provide necessary services to students with IEPs, and coordinate the Response to Intervention program as well. Three students attend a Disabilities program at Hampton School and two students attend Northern Hills Academy for special education.

School enrollment has been trending downward for decades. The table below presents the average daily enrollment over the last ten (10) years.

Fiscal Year	Student Enrollment	Percent Change
2023-2024	130	3.8
2022-2023	125	(7.41)
2021-2022	135	9.8
2020-2021	123	(1.6)
2019-2020	125	(10.4)
2018-2019	138	(2.1)
2017-2018	141	(4.7)
2016-2017	148	1.3
2015-2016	146	2.09
2014-2015	143	(7.1)

2) ECONOMIC CONDITION AND OUTLOOK:

The Sandyston-Walpack School District currently and historically has enjoyed a strong level of support from its two constituent communities. The Board of Education maintains a budget, which supports the needs of students and is fiscally responsible for the community. The Board also receives Federal Impact Aid, Section 7002 funds which help offset the loss of ratable property due to its acquisition by the federal government for the Delaware Water Gap National Recreation Area. Historically, the Board of Education has used these funds to help offset tax increases, support one-time costs such as building improvements, technology upgrades, and special programs. Any loss of funding at either the federal or state level will impact the quality of our programs. Regardless of the economic climate, the board has been able to move forward in a number of areas: facility/maintenance, technology, and meeting the constant state mandates for teacher evaluation, New Jersey Student Learning Standards (SLS), and online assessments. Upgrades to the facility and instructional supplies will be possible with the continued federal funding of Impact Aid and state aid.

3) MAJOR INITIATIVES:

The Sandyston-Walpack Consolidated School maintains its focus on providing a quality education for all children aged 3 through 12. The Board of Education stands committed to reviewing our current programs and adding the elements needed to comply with the NJ SLS. With the impact of COVID-19 continuing to be in the forefront of our interventions and instruction. The workshop model initiative (implemented four years ago) resulted in significantly improved test scores. We will continue to provide training for teachers in the workshop model, upgrade classroom instructional resources, and create student-centered learning environments in the classrooms with flexible furniture. Our professional development will focus on the areas of Response to Intervention, Workshop Models, the implementation of STAR Math and STAR Reading, Team Teaching, and Social and Emotional Learning.

For the 2023-2024 School Year, the administrative make-up was a Shared Chief School Administrator and Principal/Supervisor of Special Education. This is the third year of this administrative model. It will continue to allow the administrators to focus on their specified job duties in a more detailed manner.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS:

In addition to internal 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 a vote of the Board of Education. 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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles (GAAP), 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 Basic Financial Statements", No. 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic 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.

8) RISK MANAGEMENT:

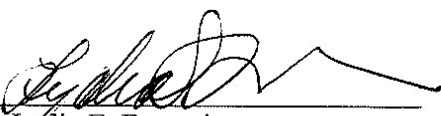
The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents and fidelity bonds. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

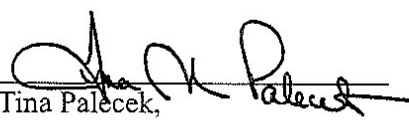
9) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGEMENTS:

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

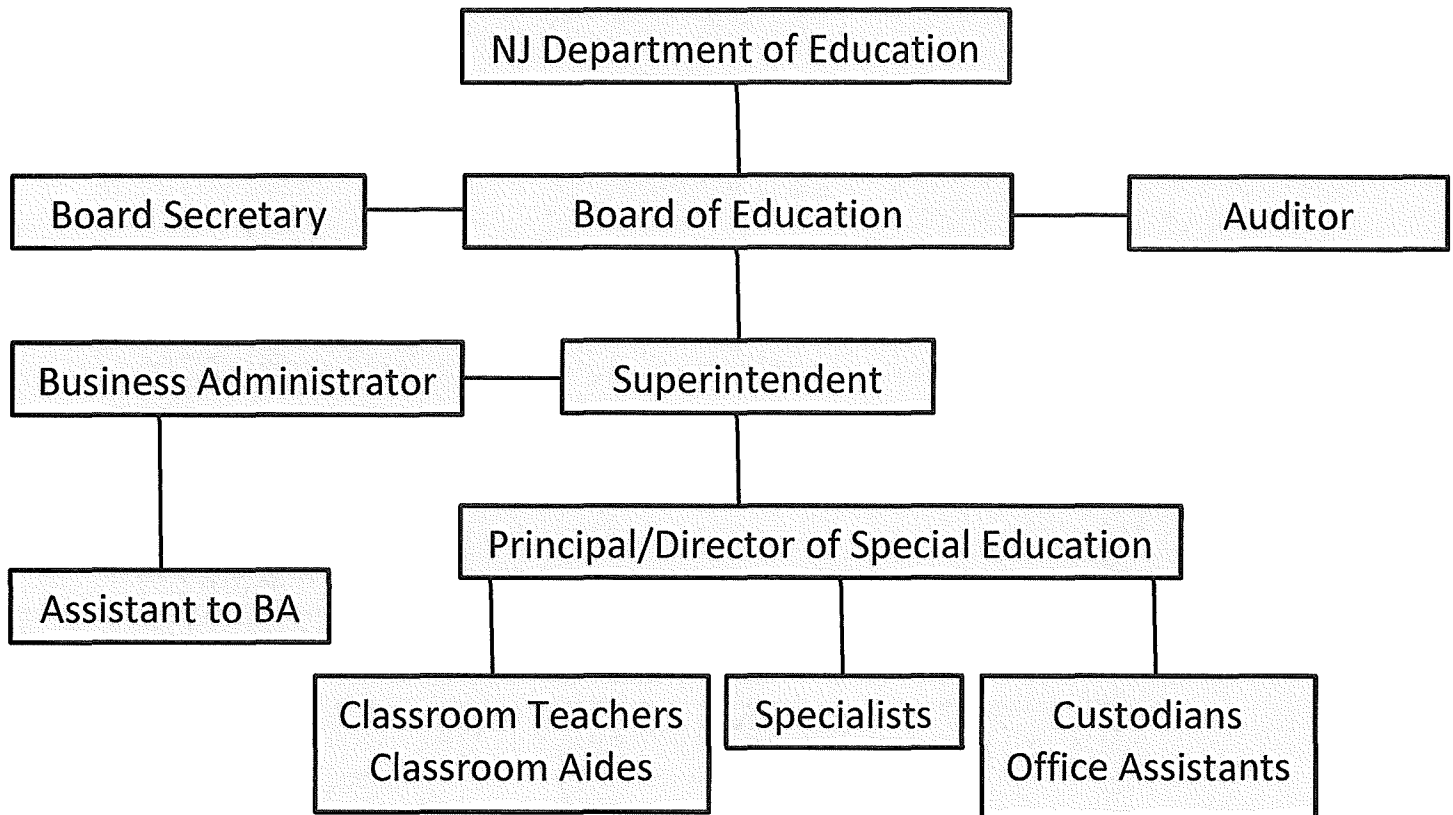

Dr. Lydia E. Furnari
Interim Superintendent


Mrs. Tina Palecek,
Business Administrator/Board Secretary

Sandyston-Walpack Consolidated School District

Sandyston-Walpack Board of Education

Organization Chart



**SANDYSTON-WALPACK CONSOLIDATED BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Joseph Falchetta	President	2024
Joshua Belardo	Vice President	2024
Paul Csencsits	Member	2025
Alexandra Brex	Member	2025
Stevie Collins	Member	2025
Colleen Hewitt	Member	2026
Nina Vassallo	Member	2024
Jo-Ann Williamson	Member	2026
Vacant Seat (Walpack)	Member	N/A

Dr. Lydia E. Furnari, Interim Superintendent

Mrs. Tina Palecek, Board Secretary/School Business Administrator

Amanda Lobban, Treasurer

Matthew Giacobbe, Board Attorney

SANDYSTON-WALPACK CONSOLIDATED BOARD OF EDUCATION
Consultants and Advisors

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, NJ 07856

And

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

And

1140 Route 22 East, Suite 203
Bridgewater, NJ 08807

Attorneys

Cleary, Giacobbe, Alfieri, & Jacobs
169 Ramapo Valley Road
Upper Level 105
Oakland, NJ 07436

Machado Law Group LLC
1 Cleveland Place
Springfield, NJ 07081

Official Depository

Lakeland Bank
3 Broad Street
Branchville, NJ 07826

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sandyston-Walpack Consolidated School District
County of Sussex, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sandyston-Walpack Consolidated School District (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 10, 2024
Mount Arlington, New Jersey

NISIVOC CIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

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

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operates like a business, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

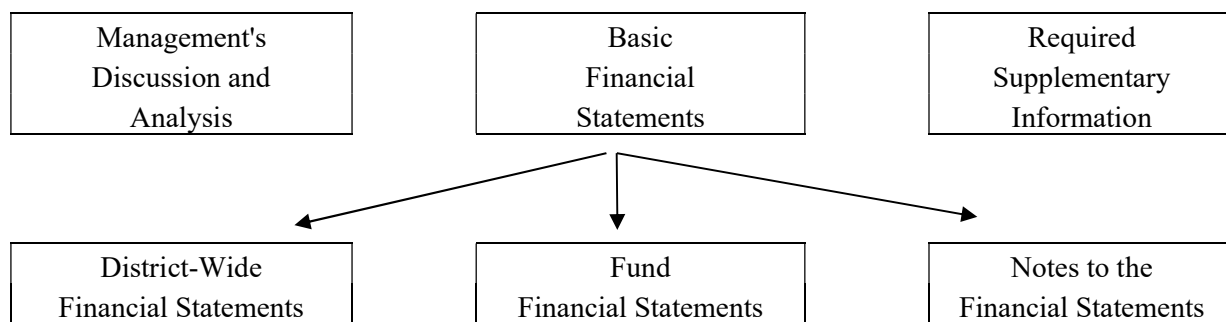


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

Notes to the Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a school's financial position.

The District's financial position is the product of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position. The District's combined net position increased by \$201,808. Net position from governmental activities increased by \$223,368 while net position from business-type activities decreased by \$21,560.

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023*	2023/2024	2022/2023	2023/2024	2022/2023*	
Current and Other Assets	\$ 2,342,350	\$ 2,048,080	\$ 27,952	\$ 49,512	\$ 2,370,302	\$ 2,097,592	
Capital Assets, Net	1,167,434	1,097,385			1,167,434	1,097,385	
Lease Assets, Net	544	3,788			544	3,788	
Total Assets	<u>3,510,328</u>	<u>3,149,253</u>	<u>27,952</u>	<u>49,512</u>	<u>3,538,280</u>	<u>3,198,765</u>	10.61%
Deferred Outflows of Resources	<u>227,389</u>	<u>231,356</u>			<u>227,389</u>	<u>231,356</u>	-1.71%
Other Liabilities	383,228	126,111			383,228	126,111	
Long-Term Liabilities	<u>362,853</u>	<u>298,236</u>			<u>362,853</u>	<u>298,236</u>	
Total Liabilities	<u>746,081</u>	<u>424,347</u>			<u>746,081</u>	<u>424,347</u>	75.82%
Deferred Inflows of Resources	<u>325,766</u>	<u>513,760</u>			<u>325,766</u>	<u>513,760</u>	-36.59%
Net Position:							
Net Investment in Capital Assets	1,167,351	1,096,919			1,167,351	1,096,919	
Restricted	1,731,697	1,673,451			1,731,697	1,673,451	
Unrestricted/(Deficit)	<u>(233,178)</u>	<u>(327,868)</u>	<u>27,952</u>	<u>49,512</u>	<u>(205,226)</u>	<u>(278,356)</u>	
Total Net Position	<u>\$ 2,665,870</u>	<u>\$ 2,442,502</u>	<u>\$ 27,952</u>	<u>\$ 49,512</u>	<u>\$ 2,693,822</u>	<u>\$ 2,492,014</u>	8.10%

* as Restated

Changes in Net Position. Net position in the governmental activities increased due primarily to the maturity of long term liabilities and an excess of revenues and unexpended budget balances in the General Fund. An explanation for the change in Net Position for business-type Activities is included later in this section of the report.

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023	
Revenue:							
Program Revenue:							
Charges for Services	\$ 41,917		\$ 4,542	\$ 5,226	\$ 46,459	\$ 5,226	
Operating Grants & Contributions	504,348	\$ 714,934	14,855	27,939	519,203	742,873	
General Revenue:							
Property Taxes	2,413,858	2,321,017			2,413,858	2,321,017	
Unrestricted Federal and State Aid	747,825	610,976			747,825	610,976	
Other	208,477	176,018	990	150	209,467	176,168	
Total Revenue	<u>3,916,425</u>	<u>3,822,945</u>	<u>20,387</u>	<u>33,315</u>	<u>3,936,812</u>	<u>3,856,260</u>	2.09%
Expenses:							
Instruction	\$1,693,903	2,116,369			1,693,903	2,116,369	
Pupil and Instruction Services	847,200	599,932			847,200	599,932	
Administrative and Business	366,722	320,327			366,722	320,327	
Maintenance and Operations	269,547	251,437			269,547	251,437	
Transportation	230,994	175,258			230,994	175,258	
Other	276,676	115,382	49,962	17,410	326,638	132,792	
Total Expenses	<u>3,685,042</u>	<u>3,578,705</u>	<u>49,962</u>	<u>17,410</u>	<u>3,735,004</u>	<u>3,596,115</u>	3.86%
Transfers	(8,015)	(7,849)	8,015	7,849			
	<u>(8,015)</u>	<u>(7,849)</u>	<u>8,015</u>	<u>7,849</u>			
Increase in Net Position	<u>\$ 223,368</u>	<u>\$ 236,391</u>	<u>\$ (21,560)</u>	<u>\$ 23,754</u>	<u>\$ 201,808</u>	<u>\$ 260,145</u>	-22.42%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District is strong. However, maintaining existing programs and the provision of a multitude of special programs and services for disabled pupils continues to place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions continued during the year were:

- Participation in an insurance pool operated by Public Entity Group Administrative Services resulting in low cost property, liability and workers compensation insurance.
- Participation in Joint Transportation Agreements.
- Participation in joint purchasing agreements.

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial obligation placed on the District's taxpayers by each of these functions:

Figure A-5
Net Cost of Governmental Activities

	Total Costs of Services		Net Cost of Services	
	2023/2024	2022/2023	2023/2024	2022/2023
Instruction	\$ 1,693,903	\$ 2,116,369	\$ 1,278,982	\$ 1,457,871
Pupil and Instruction Services	847,200	599,932	762,240	564,876
Administrative and Business	366,722	320,327	366,456	307,131
Maintenance and Operations	269,547	251,437	269,547	251,437
Transportation	230,994	175,258	184,876	167,074
Other	276,676	115,382	276,676	115,382
	<u>\$ 3,685,042</u>	<u>\$ 3,578,705</u>	<u>\$ 3,138,777</u>	<u>\$ 2,863,771</u>

Business-Type Activities

The net position of the District's business-type activity decreased by \$21,560 (Refer to Figure A-4). Factors contributing to these results included:

- Food services expenses exceeded revenues by \$29,575.
- Transfer from General Fund to cover deficit for \$8,015.

Financial Analysis of the District's Funds

The District's financial position continues to remain stable. Increases in Special Education costs have been offset by modest increases in State Aid and a program to maximize interest earnings on available cash balances. The district maintains close scrutiny of all expenses and pays close attention to all aspects of Public School Contract Law. Constant monitoring of the financial status of the district as well as monthly reporting to the Board of Education allows for the Administration and Board of Education to be fully aware of the district's financial condition.

General Fund Budgetary Highlights

The 2023-2024 fiscal, school year saw the conclusion of all Federal and State funding related to the COVID Pandemic. These grants were fully utilized in accordance with State and Federal requirements. These grants were implemented to address one-time needs of students and staff and are not continuing, on-going funding sources. The district will begin a Pre-School Program in the 2024-2025 fiscal, school year and has applied for State funded grants for the program.

Capital Assets and Long-Term Liabilities Administration

Figure A-6

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023/2024	2022/2023*	2023/2024	2022/2023	2023/2024	2022/2023*	
Land	\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000	
Building & Building Improvements	1,117,434	1,047,385			1,117,434	1,047,385	
Total	<u>\$ 1,167,434</u>	<u>\$ 1,097,385</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 1,167,434</u>	<u>\$ 1,097,385</u>	6.38%

Long-term Liabilities

At year-end, the District’s net pension liability increased by \$42,098, compensated absences payable increased by \$26,773, and leases payable decreased \$3,627 as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 9 to the basic financial statements.)

Figure A-7
Long-Term Liabilities

	Total School District		Percentage
	2023/2024	2022/2023	Change
Net Pension Liability	\$ 302,806	\$ 260,708	
Compensated Absences Payable	60,047	33,274	
Other Long-Term Liabilities	627	4,254	
	<u>\$ 363,480</u>	<u>\$ 298,236</u>	21.88%

Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect the financial condition in the future:

- The district is aware of potential changes to the State Aid funding formula that could possibly affect revenue sources.
- Potential School consolidation remains an issue.
- Increases in mandated expenses that cannot be controlled or anticipated remain a concern.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Tina Palecek, Business Administrator at the Board of Education Office at 100 Route 560, Layton, NJ 07851.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,142,022	\$ 15,061	\$ 1,157,083
Internal Balances	(12,730)	12,730	
Tax Levy Receivable	198,284		198,284
Receivable from State Government	140,816	11	140,827
Receivable from Federal Government	124,851	150	125,001
Restricted Cash and Cash Equivalents	749,107		749,107
Capital Assets:			
Sites (Land)	50,000		50,000
Depreciable Buildings and Building Improvements, Machinery and Equipment	1,117,434		1,117,434
Lease Asset, Net	544		544
Total Assets	<u>3,510,328</u>	<u>27,952</u>	<u>3,538,280</u>
DEFERRED OUTFLOWS OF RESOURCES			
District Contribution Subsequent to the Measurement Date - Pensions	32,000		32,000
Deferred Outflows Related to Pensions	195,389		195,389
Total Deferred Outflows of Resources	<u>227,389</u>		<u>227,389</u>
LIABILITIES			
Accounts Payable	349,574		349,574
Unearned Revenue	33,027		33,027
Noncurrent Liabilities:			
Due Within One Year	627		627
Due Beyond One Year	362,853		362,853
Total Liabilities	<u>746,081</u>		<u>746,081</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	325,766		325,766
Total Deferred Inflows of Resources	<u>325,766</u>		<u>325,766</u>
NET POSITION			
Net Investment in Capital Assets	1,167,351		1,167,351
Restricted for:			
Impact Aid Reserve	579,666		579,666
Capital Projects	87,752		87,752
Maintenance Reserve	80,278		80,278
Student Activities	1,411		1,411
Excess Surplus	982,590		982,590
Unrestricted/(Deficit)	<u>(233,178)</u>	<u>27,952</u>	<u>(205,226)</u>
Total Net Position	<u>\$ 2,665,870</u>	<u>\$ 27,952</u>	<u>\$ 2,693,822</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenue		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	\$ 1,190,920		\$ 221,196	\$ (969,724)		\$ (969,724)
Special Education	469,684		193,725	(275,959)		(275,959)
Other Special Instruction	33,299			(33,299)		(33,299)
Support Services:						
Tuition	138,758		41,342	(55,671)		(55,671)
Student & Instruction Related Services	708,442	\$ 41,745	1,701	(706,569)		(706,569)
General Administrative Services	179,574	172		(179,574)		(179,574)
School Administrative Services	83,329		266	(83,063)		(83,063)
Central Services	103,819			(103,819)		(103,819)
Plant Operations and Maintenance	269,547			(269,547)		(269,547)
Pupil Transportation	230,994		46,118	(184,876)		(184,876)
Capital Outlay	118,199			(118,199)		(118,199)
Charter School	158,477			(158,477)		(158,477)
Total Governmental Activities	3,685,042	41,917	504,348	(3,138,777)		(3,138,777)
Business-Type Activities:						
Food Service	49,962	4,542	14,855		\$ (30,565)	(30,565)
Total Business-Type Activities	49,962	4,542	14,855		(30,565)	(30,565)

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Total Primary Government	<u>\$ 3,735,004</u>	<u>\$ 46,459</u>	<u>\$ 519,203</u>	<u>\$ (3,138,777)</u>	<u>\$ (30,565)</u>	<u>\$ (3,169,342)</u>
General Revenue and Transfers:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,413,858		2,413,858
Federal and State Aid not Restricted				747,825		747,825
Interest				20,144	990	21,134
Miscellaneous Income				188,333		188,333
Transfers In/(Out)				(8,015)	8,015	
Total General Revenue and Transfers				<u>3,362,145</u>	<u>9,005</u>	<u>3,371,150</u>
Change in Net Position				223,368	(21,560)	201,808
Net Position - Beginning (as Restated)				<u>2,442,502</u>	<u>49,512</u>	<u>2,492,014</u>
Net Position - Ending				<u>\$ 2,665,870</u>	<u>\$ 27,952</u>	<u>\$ 2,693,822</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,022,328		\$ 119,694	\$ 1,142,022
Tax Levy Receivable	198,284			198,284
Interfund Receivable - Special Revenue Fund	65,429			65,429
Receivables From Federal Government		\$ 124,851		124,851
Receivables From State Government	61,020		79,796	140,816
Restricted Cash and Cash Equivalents	747,696	1,411		749,107
Total Assets	<u>\$ 2,094,757</u>	<u>\$ 126,262</u>	<u>\$ 199,490</u>	<u>\$ 2,420,509</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 91,689	\$ 26,395	\$ 199,490	\$ 317,574
Interfund Payable - Food Service Fund	12,730			12,730
Interfund Payable - General Fund		65,429		65,429
Unearned Revenue		33,027		33,027
Total Liabilities	<u>104,419</u>	<u>124,851</u>	<u>199,490</u>	<u>428,760</u>
Fund Balances:				
Restricted:				
Excess Surplus - 2025-2026	419,081			419,081
Excess Surplus - 2024-2025	563,509			563,509
Impact Aid Reserve	579,666			579,666
Capital Reserve	87,752			87,752
Maintenance Reserve	80,278			80,278
Student Activities		1,411		1,411
Assigned:				
Year-End Encumbrances	6,350			6,350
Subsequent Year's Expenditures	8,632			8,632
Unassigned	245,070			245,070
Total Fund Balances	<u>1,990,338</u>	<u>1,411</u>		<u>1,991,749</u>
Total Liabilities and Fund Balances	<u>\$ 2,094,757</u>	<u>\$ 126,262</u>	<u>\$ 199,490</u>	
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:				
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.				1,167,434
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.				(83)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.				(302,806)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:				
Deferred Outflows				195,389
Deferred Inflows				(325,766)
Long-Term Liabilities, including bonds payable, leases payable, and financed purchases payable are not due and payable in the current period and therefore are not reported as liabilities in the Funds.				(60,047)
Net Position of Governmental Activities				<u>\$ 2,665,870</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 2,413,858			\$ 2,413,858
Tuition from Other LEA's	41,745			41,745
Interest Earned on Restricted Funds	20,144			20,144
Unrestricted Miscellaneous	188,333	\$ 172		188,505
Total - Local Sources	2,664,080	172		2,664,252
State Sources	1,018,062		\$ 79,796	1,097,858
Federal Sources	417,004	262,552		679,556
Total Revenue	4,099,146	262,724	79,796	4,441,666
EXPENDITURES				
Current:				
Regular Instruction	770,094	218,852		988,946
Special Education Instruction	371,829	2,485		374,314
Other Special Instruction	26,322			26,322
Support Services and Undistributed Costs:				
Tuition	97,416	41,342		138,758
Student & Instruction Related Services	617,923	235		618,158
General Administrative Services	146,729			146,729
School Administrative Services	68,750			68,750
Central Services	85,125			85,125
Plant Operations and Maintenance	245,532			245,532
Pupil Transportation	228,993			228,993
Allocated and Unallocated Benefits	1,027,598			1,027,598
Capital Outlay	84,620		199,490	284,110
Transfer of Funds to Charter Schools	158,477			158,477
Total Expenditures	3,929,408	262,914	199,490	4,391,812
Excess of Revenue over Expenditures	169,738	(190)	(119,694)	49,854
OTHER FINANCING SOURCES/(USES)				
Transfers In			119,694	119,694
Transfers Out	(127,709)			(127,709)
Total Other Financing Sources/(Uses)	(127,709)		119,694	(8,015)
Net Change in Fund Balances	42,029	(190)		41,839
Fund Balance—July 1	1,948,309	1,601		1,949,910
Fund Balance—June 30	\$ 1,990,338	\$ 1,411	\$ -0-	\$ 1,991,749

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 41,839

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:

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

Depreciation Expense	\$ (95,862)	
Capital Outlays	<u>165,911</u>	70,049

Capital outlays related to lease assets are reported in Governmental Funds as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

Amortization Expense	<u>(3,244)</u>	(3,244)
----------------------	----------------	---------

Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

3,627

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

(26,773)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	(42,098)
Change in Deferred Outflows	(8,026)
Change in Deferred Inflows	<u>187,994</u>

Changes in Net Position for Governmental Activities

\$ 223,368

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 15,061
Intergovernmental Accounts Receivable:	
Federal	150
State	11
Interfund Receivable:	
General Fund	12,730
Total Current Assets	<u>27,952</u>
Total Assets	<u>27,952</u>
NET POSITION:	
Unrestricted	<u>27,952</u>
Total Net Position	<u><u>\$ 27,952</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds Food Service
Operating Revenue:	
Local Sources:	
Other Sales	\$ 4,542
Total Operating Revenue	4,542
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	8,775
Salaries, Benefits & Payroll Taxes	8,015
Supplies, Insurance & Other Costs	29,382
Miscellaneous Expenses	3,790
Total Operating Expenses	49,962
Operating Loss	(45,420)
Non-Operating Income:	
Local Sources:	
Interest Income	990
State Sources:	
State School Lunch Program	331
Federal Sources:	
National School Lunch Program	6,079
Supply Chain Assistance	7,792
COVID 19 - P-EBT Cost Reimbursement	653
Total Non-Operating Income	15,845
Change in Net Position Before Transfers	(29,575)
Transfer:	
Transfer from General Fund	8,015
Change in Net Assets	(21,560)
Net Position - Beginning of Year	49,512
Net Position - End of Year	\$ 27,952

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,542
Payments to Food Service Vendor	(8,775)
Payments to Suppliers and Other Expenses	<u>(41,187)</u>
Net Cash (Used for) Operating Activities	<u>(45,420)</u>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	<u>990</u>
Net Cash Provided by Investing Activities	<u>990</u>
Cash Flows from Noncapital Financing Activities:	
Federal Subsidy Reimbursements Collected in Food Service Fund	5,760
Federal Supply Chain Assistance	7,792
Federal - P-EBT Cost Reimbursements Collected in Food Service Fund	653
State Subsidy Reimbursements Collected in Food Service Fund	290
Board Contribution	<u>8,015</u>
Net Cash Provided by Noncapital Financing Activities	<u>22,510</u>
Net Increase in Cash and Cash Equivalents	(21,920)
Cash and Cash Equivalents, July 1	<u>36,981</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 15,061</u></u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	<u>\$ (45,420)</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (45,420)</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (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.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – governmental and proprietary - 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 governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

The District reports the following governmental funds: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects. The District has no active capital projects accounted for in the Capital Projects Fund currently.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest. The District has no current debt issues outstanding.

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, and special revenue funds. The budget was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the 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 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the two last state aid payments in the subsequent fiscal year, the District cannot recognize the payments on the GAAP financial statements.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue 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	\$ 4,109,922	\$ 265,040
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not:		
Current Year Encumbrances		(2,316)
Prior Year State Aid Payments Recognized for GAAP Statements	33,055	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(43,831)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,099,146</u>	<u>\$ 262,724</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 3,929,408	\$ 265,230
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(2,316)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 3,929,408</u>	<u>\$ 262,914</u>

E. Cash and Cash Equivalents and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments: (Cont'd)

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

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.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets:

The District has established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to the establishment of the formal system are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their acquisition cost. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

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

L. Lease Assets

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Long Term Liabilities:

In the government-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond premiums as revenue in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Accrued Salaries and Wages:

The District does not allow employees, who provide services to the District over a ten- month academic year the option to have their salaries evenly disbursed during the entire twelve month year; therefore, there are no accrued salaries and wages as of June 30, 2024.

P. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's policies and agreements. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate 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 agreements with the various employee contracts and union agreements.

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.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated:

General Fund: Of the \$1,990,338 General Fund fund balance at June 30, 2024, \$6,350 is assigned for year-end encumbrances, \$419,081 is restricted for current fiscal year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2026; \$563,509 is restricted for the prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2025, \$8,632 of assigned fund balance has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025, \$87,752 is restricted in the capital reserve account, \$579,666 is restricted in the impact aid reserve account, \$80,278 is restricted in the maintenance reserve account; and there is \$245,070 in unassigned fund balance which is \$43,831 less on a GAAP basis due to the final two state payments not being recognized on a GAAP basis until the fiscal year ended June 30, 2024.

Special Revenue Fund: There is \$1,411 of restricted fund balance for student activities at June 30, 2024.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2024 as detailed above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

U. Deficit Net Position:

The District has a deficit in unrestricted net position of \$233,178 in governmental activities, which is primarily due to compensated absences payable, net pension liability and related deferred inflows and outflows of resources. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2024 for pensions.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Net Position: (Cont'd)

The District had deferred inflows of resources at June 30, 2024 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

W. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, excess surplus, a maintenance reserve, impact aid reserve and student activities.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2024.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Y. Operating Revenue and Expenses:

Operating revenue 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.

Z. Management Estimates:

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

AA. Pensions:

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section on Investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

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.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking Accounts	\$ 1,157,083	\$ 749,107	\$ 1,906,190

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$1,906,190 and the bank balance was \$2,033,205.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account in the amount of \$1 was established by Board resolution in October 4, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2023	\$ 277,680
Increased by:	
Interest Earnings	10,072
	<u>287,752</u>
Withdrawals:	
Budgeted Withdrawal	200,000
	<u>200,000</u>
Ending Balance, June 30, 2024	<u>\$ 87,752</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve on June 30, 2024 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan.

NOTE 5. IMPACT AID RESERVE ACCOUNT

An impact aid general fund reserve account was established by the District on June 30, 2016. Impact Aid revenue received from the federal government under section 8002 or 8003 of the Elementary and Secondary Education Act of 1965 can be used for any legal purpose without restriction. The reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Impact Aid provides financial assistance to school districts affected by federal activities. Because federal property is exempt from local property taxes, Impact Aid helps to replace lost revenue that would otherwise be available to pay for educating children who live on federal property or whose parents work on federal property.

A board of education may appropriate federal impact aid funds to establish or supplement the reserve account in the district's annual budget, or through a transfer by a two-thirds affirmative vote of the authorized membership of the board between June 1 and June 30, for withdrawal in any subsequent school year. Any transfer to the reserve account shall not exceed the total amount of federal impact aid received in the fiscal year. The board, at its discretion, may use the funds in the reserve account to finance the district's general fund or to finance school facilities projects, in a manner consistent with federal law. The total amount of funds on deposit in the reserve account shall not be limited.

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

Beginning Balance, July 1, 2023	\$ 512,662
Deposits:	
Transfer by Board Resolution	<u>417,004</u>
	929,666
Withdrawals:	
Budgeted Withdrawal	<u>350,000</u>
Ending Balance, June 30, 2024	<u><u>\$ 579,666</u></u>

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Sandyston-Walpack Consolidated School District by a previous board resolution. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end.

At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1, 2023	\$ 70,206
Deposits:	
Interest Earnings	<u>10,072</u>
Ending Balance, June 30, 2024	<u><u>\$ 80,278</u></u>

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	(As Restated) Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 50,000			\$ 50,000
Total Capital Assets Not Being Depreciated	<u>50,000</u>			<u>50,000</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	2,009,099	\$ 165,911		2,175,010
Machinery and Equipment	319,322			319,322
Total Capital Assets Being Depreciated	<u>2,328,421</u>	<u>165,911</u>		<u>2,494,332</u>
Governmental Activities Capital Assets	<u>2,378,421</u>	<u>165,911</u>		<u>2,544,332</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(1,037,792)	(74,578)		(1,112,370)
Machinery and Equipment	(243,244)	(21,284)		(264,528)
	<u>(1,281,036)</u>	<u>(95,862)</u>		<u>(1,376,898)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 1,097,385</u>	<u>\$ 70,049</u>	<u>\$ -0-</u>	<u>\$ 1,167,434</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 73,696
Special Education	6,300
Student and Other Instruction Related Services	5,926
General Administration	5,594
School Administration	1,319
Operations and Maintenance of Plant	<u>3,027</u>
	<u><u>\$ 95,862</u></u>

NOTE 8. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 16,220			\$ 16,220
Total Lease Assets Being Amortized	<u>16,220</u>			<u>16,220</u>
Governmental Activities Lease Assets	<u>16,220</u>			<u>16,220</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(12,432)	\$ (3,244)		(15,676)
	<u>(12,432)</u>	<u>(3,244)</u>		<u>(15,676)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 3,788</u>	<u>\$ (3,244)</u>	<u>\$ -0-</u>	<u>\$ 544</u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	<u>\$ 3,244</u>
	<u><u>\$ 3,244</u></u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the District-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024
Net Pension Liability	\$ 260,708	\$ 42,098		\$ 302,806
Leases Payable	4,254		\$ 3,627	627
Compensated Absences Payable	33,274	26,949	176	60,047
	<u>\$ 95,723</u>	<u>\$ 69,047</u>	<u>\$ 3,803</u>	<u>\$ 363,480</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated by the Debt Service Fund.

The District had no bonds outstanding as of June 30, 2024.

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board had no bonds authorized but not issued.

C. Unamortized Bond Premium:

As of June 30, 2024, the Board had no unamortized bond premiums.

D. Leases Payable:

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

<u>Leases Payable</u>				
Purpose	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
Savin Copiers	Monthly	08/28/25	0.527%	\$ 627
				<u>\$ 627</u>

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

Fiscal Year Ending June 30,	<u>Governmental Activities</u>	
	Principal	Interest
2025	\$ 627	\$ 5
	<u>\$ 627</u>	<u>\$ 5</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. LONG-TERM LIABILITIES (Cont'd)

E. Compensated Absences

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the liability for compensated absences. The entire \$60,047 is the long-term portion and will be liquidated by the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the Food Service Fund.

F. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$302,806. See Note 11 for more information on the PERS.

NOTE 10. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, there were no transfers to capital outlay lines which required County Superintendent approval.

NOTE 11. PENSION PLANS

A. Public Employees' Retirement System (PERS)

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. 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.

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

District contributions to PERS amounted to \$27,953 for 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$944 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 statement of the local participating employers related to the legislation.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Special Funding Situation (Cont'd)

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the District's liability was \$302,806 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.00209%, which was an increase of 0.00036% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit in the amount of \$109,931 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$944 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 1,645
	2020	5.16		14,966
	2021	5.13	\$ 665	
	2022	5.04		1,740
			<u>665</u>	<u>18,351</u>
Changes in Proportion	2019	5.21		2,862
	2020	5.16		27,663
	2021	5.13		275,652
	2022	5.04	141,839	
	2023	5.08	48,596	
			<u>190,435</u>	<u>306,177</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual	2020	5.00	4,689	
Investment Earnings on Pension Plan Investments	2021	5.00	(38,999)	
	2022	5.00	46,399	
	2023	5.00	(10,695)	
			<u>1,394</u>	
Difference Between Expected and Actual	2019	5.21	125	
Experience	2020	5.16	834	
	2021	5.13		529
	2022	5.04		709
	2023	5.08	1,936	
			<u>2,895</u>	<u>1,238</u>
District Contribution Subsequent to the				
Measurement Date	2023	1.00	<u>32,000</u>	
			<u>\$ 227,389</u>	<u>\$ 325,766</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2023	\$ 32,609
2024	27,762
2025	37,244
2026	10,631
2027	990
	<u>\$ 109,236</u>

Actuarial Assumptions

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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%

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 upon 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 in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 394,188	\$ 302,806	\$ 225,027

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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.

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

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

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. During the fiscal year ended 2024 the State of New Jersey contributed \$347,255 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$117,905.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$4,799,316. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.009%, which was an increase of 0.0034% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	4,799,316
Total	<u>\$ 4,799,316</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$117,905 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
	2023	7.93		
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656.00
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual	2020	5.00	241,395,539	
Investment Earnings on Pension Plan Investments	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as detailed on the following page:

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u><u>\$ (12,327,824,636)</u></u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

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

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 5,659,264	\$ 4,799,316	\$ 4,075,035

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$1,670 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$911 for the fiscal year ended June 30, 2024.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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 obtained their health benefit coverage from the AmeriHealth Insurance Company of New Jersey. The District obtained their dental benefit coverage through Horizon Blue Cross Blue Shield.

Property and Liability Insurance

The Sandyston-Walpack Consolidated School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Selected financial information for the SAIF as of June 30, 2024 was not available as of the date of this audit. Selected financial information for the SAIF as of June 30, 2023 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	<u>\$ 55,099,784</u>
Net Position	<u>\$ 19,896,776</u>
Total Revenue	<u>\$ 53,694,497</u>
Total Expenses	<u>\$ 54,788,356</u>
Change in Net Position	<u>\$ (1,093,859)</u>
Members Dividends	<u>\$ -0-</u>

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services
51 Everett Drive, Suite B-40
West Windsor, NJ 08550
(609) 275-1155

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit employee withholdings to the State on a quarterly basis. All of the District's claims are paid by the State.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 65,429	\$ 12,730
Special Revenue Fund		65,429
Food Service Fund	12,730	
	<u>\$ 78,159</u>	<u>\$ 78,159</u>

The interfund receivable in the Food Service Fund is due from the General Fund for Federal and State subsidy reimbursements. The interfund receivable in the General Fund is due from the Special Revenue Fund due to the timing differences of reimbursement requests and receipts of grant funds.

NOTE 14. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 15. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is Equitable Life Assurance.

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Litigation

The District is periodically involved in various lawsuits. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2024, there were encumbrances in the governmental funds as follows: \$6,350 in the General Fund.

NOTE 17. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the local School District on a predetermined mutually agreed-upon schedule.

NOTE 18. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2024:

	<u>Governmental Funds</u>				<u>District Contribution Subsequent to the Measurement Date</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>		<u>Total Governmental Activities</u>
Vendors	\$ 42,449	\$ 26,395	\$ 199,490	\$ 268,334		\$ 268,334
Payroll Deductions and Withholdings	49,240			49,240		49,240
State of New Jersey					\$ 32,000	32,000
	<u>\$ 91,689</u>	<u>\$ 26,395</u>	<u>\$ 199,490</u>	<u>\$ 317,574</u>	<u>\$ 32,000</u>	<u>\$ 349,574</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the 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 Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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 years or more 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, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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.

Actuarial Assumptions and Other Inputs

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.

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service

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

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

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

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 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Discount Rate

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

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 6,455,648
Changes for Year:	
Service Cost	180,491
Interest on the Total OPEB Liability	217,412
Changes of Assumptions	12,443
Differences between Expected and Actual Experience	(528,918)
Gross Benefit Payments by the State	(169,476)
Contributions from Members	5,571
	<u> </u>
Net Changes	<u>(282,477)</u>
Balance at June 30, 2022	<u><u>\$ 6,173,171</u></u>

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 7,236,983	\$ 6,173,171	\$ 5,319,053

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Total OPEB Liability Attributable to the District	\$ 5,124,684	\$ 6,173,171	\$ 7,545,119

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

For the fiscal year ended June 30, 2024 the District recognized an OPEB benefit of \$200,303 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 222,443
	2018	9.51		230,248
	2019	9.29	\$ 33,873	
	2020	9.24	828,141	
	2021	9.24	4,714	
	2022	9.13		1,250,884
	2023	9.30	11,105	
			<u>877,833</u>	<u>1,703,575</u>
Differences between Expected and Actual Experience	2018	9.51		217,656
	2019	9.29		398,689
	2020	9.24	771,860	
	2021	9.24		906,449
	2022	9.13	128,823	
	2023	9.30		103,158
			<u>900,683</u>	<u>1,625,952</u>
Changes in Proportion	N/A	N/A	514,998	2,110,610
			<u>\$ 2,293,514</u>	<u>\$ 5,440,137</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>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (307,850)
2025	(307,850)
2026	(267,565)
2027	(157,746)
2028	(32,289)
Thereafter	<u>(477,711)</u>
	<u>\$ (1,551,011)</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 20. PRIOR PERIOD ADJUSTMENT

There was a prior period adjustment to the District's capital assets to agree them to the new capital assets appraisal report.

	Balance at June 30, 2023 as Previously Reported	Retroactive Adjustments	Balance at June 30, 2023 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Depreciable Buildings and Building			
Improvements, Machinery and Equipment	\$ 971,307	\$ 76,078	\$ 1,047,385
Total Assets	3,073,175	76,078	3,149,253
Net Position:			
Net Investment in Capital Assets	1,020,841	76,078	1,096,919
Total Net Position	2,366,424	76,078	2,442,502

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0040790379%	0.0039817068%	0.0034784440%	0.0043382227%	0.0043951960%	0.0040818113%	0.0035352635%	0.0004912407%	0.0017275314%	0.0020905672%
District's proportionate share of the net pension liability	\$ 763,707	\$ 893,813	\$ 1,030,215	\$ 1,009,869	\$ 865,392	\$ 735,480	\$ 576,509	\$ 58,195	\$ 260,708	\$ 302,806
District's covered employee payroll	\$ 252,637	\$ 267,217	\$ 308,655	\$ 290,062	\$ 237,870	\$ 96,468	\$ 96,468	\$ 94,578	\$ 153,817	\$ 148,177
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	302.29%	334.49%	333.78%	348.16%	363.81%	762.41%	597.62%	61.53%	169.49%	204.35%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 33,627	\$ 34,232	\$ 31,133	\$ 41,187	\$ 44,038	\$ 39,960	\$ 38,674	\$ 5,753	\$ 21,785	\$ 27,953
Contributions in relation to the contractually required contribution	(33,627)	(34,232)	(31,133)	(41,187)	(44,038)	(39,960)	(38,674)	(5,753)	(21,785)	(27,953)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 252,637	\$ 267,217	\$ 308,655	\$ 290,062	\$ 237,870	\$ 96,468	\$ 94,578	\$ 153,817	\$ 148,177	\$ 183,252
Contributions as a percentage of covered employee payroll	13.31%	12.81%	10.09%	14.20%	18.51%	41.42%	40.89%	3.74%	14.70%	15.25%

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.0108869415%	0.0116649520%	N/A	0.0103257531%	0.0103728022%	0.0113239041%	0.0111773848%	0.0096406609%	0.0059990022%	0.0094043992%
State's proportionate share of the net pension liability attributable to the District	\$ 5,820,038	\$ 7,372,748	N/A	\$ 6,961,995	\$ 6,598,954	\$ 6,949,587	\$ 7,360,173	\$ 4,634,766	\$ 3,095,150	\$ 4,799,316
District's covered employee payroll	\$ 1,056,419	\$ 1,070,167	\$ 1,061,054	\$ 1,195,488	\$ 1,137,431	\$ 845,228	\$ 845,228	\$ 945,051	\$ 1,051,728	\$ 1,017,276
State proportionate share of the net pension liability associated with the District as a percentage of its covered employee payroll	550.92%	688.93%	N/A	582.36%	580.16%	822.21%	870.79%	490.42%	294.29%	471.78%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE'S CONTRIBUTIONS
 TEACHERS' PENSION AND ANNUITY FUND
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 46,257	\$ 457,687	N/A	\$ 115,949	\$ 156,801	\$ 277,683	\$ 457,687	\$ 109,058	\$ 83,299	\$ 117,905
Contributions in relation to the contractually required contribution	(148,932)	(165,480)	(183,867)	(204,296)	(226,996)	(252,218)	(280,242)	(246,958)	(384,457)	(347,255)
Contribution deficiency/(excess)	\$ (102,675)	\$ 292,207	\$ (183,867)	\$ (88,347)	\$ (70,195)	\$ 25,465	\$ 177,445	\$ (137,900)	\$ (301,158)	\$ (229,350)
District's covered employee payroll	\$ 1,070,167	\$ 1,061,054	\$ 1,195,488	\$ 1,137,431	\$ 845,228	\$ 845,228	\$ 945,051	\$ 1,051,728	\$ 1,017,276	\$ 1,153,219
Contributions as a percentage of covered employee payroll	4.32%	15.60%	15.38%	17.96%	26.86%	32.85%	29.65%	23.48%	37.79%	30.11%

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE
OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 282,590	\$ 234,657	\$ 212,020	\$ 202,938	\$ 304,997	\$ 156,766
Interest Cost	272,186	314,301	298,544	217,215	185,075	171,082
Changes of Benefit Terms					(7,594)	
Differences Between Expected and Actual Experiences		(531,658)	(1,935,625)	807,980	(1,970,277)	889,163
Changes in Assumptions	(1,083,668)	(871,213)	90,601	1,599,469	7,039	(1,731,785)
Member Contributions	7,371	7,016	5,529	4,620	4,731	5,436
Gross Benefit Payments	(200,163)	(203,006)	(186,530)	(152,439)	(145,787)	(169,462)
Net Change in Total OPEB Liability	(721,684)	(1,049,903)	(1,515,461)	2,679,783	(1,621,816)	(678,800)
Total OPEB Liability - Beginning	9,363,529	8,641,845	7,591,942	6,076,481	8,756,264	7,134,448
Total OPEB Liability - Ending	\$ 8,641,845	\$ 7,591,942	\$ 6,076,481	\$ 8,756,264	\$ 7,134,448	\$ 6,455,648
District's Covered Employee Payroll *	\$ 1,485,550	\$ 904,405	\$ 922,862	\$ 941,696	\$ 1,039,629	\$ 1,205,545
Total OPEB Liability as a Percentage of Covered Employee Payroll	581.73%	839.44%	658.44%	929.84%	686.25%	535.50%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the on the June 30, 2016 through 2023 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

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 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 2,413,858		\$ 2,413,858	\$ 2,413,858	
Tuition From Other LEAs Within the State	30,200		30,200	41,745	\$ 11,545
Unrestricted Miscellaneous Revenues	123,931		123,931	188,333	64,402
Interest Earned on Maintenance Reserve	250		250	10,072	9,822
Interest Earned on Capital Reserve Funds	500		500	10,072	9,572
Total Revenues from Local Sources	2,568,739		2,568,739	2,664,080	95,341
Revenues from State Sources:					
Categorical Transportation Aid	45,558		45,558	45,558	
Extraordinary Aid	15,000		15,000	52,251	37,251
Categorical Special Education Aid	142,839		142,839	142,839	
Equalization Aid	237,943		237,943	237,943	
Categorical Security Aid	14,577		14,577	14,577	
Other State Aids	2,900		2,900	4,550	1,650
TPAF Post Retirement Contributions (Non-Budgeted)				95,588	95,588
TPAF Pension Contributions (Non-Budgeted)				347,255	347,255
TPAF Non-Contributory Insurance (Non-Budgeted)				3,960	3,960
TPAF Long-Term Disability Insurance (Non-Budgeted)				128	128
Reimbursed TPAF Social Security Contributions				84,189	84,189
Total Revenues from State Sources	458,817		458,817	1,028,838	570,021
Revenues from Federal Sources:					
Impact Aid				417,004	417,004
Total Revenues from Federal Sources				417,004	417,004
TOTAL REVENUE	3,027,556		3,027,556	4,109,922	1,082,366

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 79,304	\$ 2,730	\$ 82,034	\$ 81,897	\$ 137
Grades 1-5 - Salaries of Teachers	458,911	(456)	458,455	458,077	378
Grades 6-8 - Salaries of Teachers	90,733		90,733	90,524	209
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	15,000	458	15,458	6,783	8,675
Purchased Professional-Educational Services	100,000	(15,000)	85,000	78,883	6,117
Purchased Technical Services	500	790	1,290	1,290	
Other Purchased Services (400-500 series)	10,900		10,900	10,007	893
General Supplies	99,752	(56,136)	43,616	42,633	983
Total Regular Programs - Instruction	855,100	(67,614)	787,486	770,094	17,392
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	82,601	25	82,626	81,941	685
Other Salaries for Instruction	38,000		38,000	30,435	7,565
General Supplies	10,000	(8,000)	2,000		2,000
Other Objects	2,000		2,000		2,000
Total Multiple Disabilities	132,601	(7,975)	124,626	112,376	12,250
Resource Room/Resource Center:					
Salaries of Teachers	292,409	(14,759)	277,650	221,339	56,311
Other Salaries for Instruction	29,900	7,715	37,615	37,614	1
General Supplies	500		500	500	
Total Resource Room/Resource Center	322,809	(7,044)	315,765	259,453	56,312
TOTAL SPECIAL EDUCATION - INSTRUCTION	455,410	(15,019)	440,391	371,829	68,562

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 16,517		\$ 16,517	\$ 14,508	\$ 2,009
General Supplies	1,000		1,000		1,000
Total Basic Skills/Remedial - Instruction	17,517		17,517	14,508	3,009
VOCATIONAL PROGRAMS					
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	14,000		14,000	3,280	10,720
Other Objects	2,000		2,000		2,000
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	16,000		16,000	3,280	12,720
Before/After School Programs - Instruction:					
Salaries of Teacher Tutors	11,000		11,000		11,000
Total Before/after School Programs - Instruction	11,000		11,000		11,000
Summer School - Instruction:					
Salaries of Teachers	5,000		5,000		5,000
Other Salaries of Instruction	1,000		1,000		1,000
Purchased Professional & Technical Services	10,500		10,500	8,534	1,966
Total Summer School - Instruction	16,500		16,500	8,534	7,966
TOTAL INSTRUCTION	1,371,527	\$ (82,633)	1,288,894	1,168,245	120,649
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	122,950	(17,489)	105,461	97,416	8,045
Total Undistributed Expenditures - Instruction	122,950	(17,489)	105,461	97,416	8,045
Undistributed Expend. - Attend. & Social Work:					
Salaries	30,175		30,175	29,462	713
Total Undist. Expend. - Attendance and Social Work	30,175		30,175	29,462	713

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Health Services:					
Salaries	\$ 66,651	\$ 1,250	\$ 67,901	\$ 67,901	
Purchased Professional and Technical Services	1,500		1,500	1,500	
Other Purchased Services (400-500 series)	350		350	220	\$ 130
Supplies and Materials	1,600		1,600	1,409	191
Other Objects	100		100		100
Total Undist. Expenditures - Health Services	70,201	1,250	71,451	71,030	421
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Purchased Professional - Educational Services	132,330	24,142	156,472	130,439	26,033
Supplies and Materials	500		500		500
Total Undist. Expend. - Speech, OT, PT, Related Svcs	132,830	24,142	156,972	130,439	26,533
Undist. Expend.-Guidance:					
Salaries of Other Professional Staff		59,652	59,652	59,652	
Total Undist. Expend. - Guidance		59,652	59,652	59,652	
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	107,343	(424)	106,919	106,229	690
Salaries of Secretarial and Clerical Assistants	23,399		23,399	23,399	
Purchased Professional - Educational Services	20,500	507	21,007	19,857	1,150
Other Purchased Prof. and Tech. Services	1,000		1,000		1,000
Other Purchased Services (400-500 series)	1,000		1,000		1,000
Supplies and Materials	1,000		1,000	657	343
Other Objects	500		500		500
Total Undist. Expend. - Child Study Team	154,742	83	154,825	150,142	4,683
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	49,500	11,149	60,649	56,250	4,399
Salaries of Secretarial and Clerical Assistants	6,776	1	6,777	6,776	1
Purchased Professional - Educational Services	39,200	(12,000)	27,200	14,565	12,635
Total Undist. Expend.-Improv. of Inst. Serv.	95,476	(850)	94,626	77,591	17,035

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 109,028	\$ (8,000)	\$ 101,028	\$ 88,366	\$ 12,662
Purchased Professional and Technical Services	8,600	(116)	8,484	8,456	28
Supplies and Materials	1,000	1,616	2,616	1,083	1,533
Other Objects	250		250		250
Total Undist Expend-Edu. Media Serv./Sch. Library	118,878	(6,500)	112,378	97,905	14,473
Undist.Expend.-Instructional Staff Training Services:					
Purchased Professional - Educational Service	15,000	(1,500)	13,500	1,275	12,225
Other Purchased Services (400-500 series)	500		500	427	73
Total Undist.Expend.-Instructional Staff Training Services	15,500	(1,500)	14,000	1,702	12,298
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	3,510	81,162	84,672	84,672	
Legal Services	4,500	19,237	23,737	23,736	1
Audit Fees	24,000	3,500	27,500	27,500	
Architectural/Engineering Services	3,000	(3,000)			
Other Purchased Professional Services	68,661	(66,394)	2,267	21	2,246
Purchased Technical Services	2,578	3,222	5,800	1,564	4,236
Communications / Telephone	250		250		250
BOE Other Purchased Services	5,000	4,500	9,500	1,724	7,776
Other Purch. Serv. (400-500 series other than 530 & 585)	1,280	(500)	780		780
General Supplies	1,550	1,000	2,550	2,337	213
Miscellaneous Expenditures	1,000	1,000	2,000		2,000
BOE Membership Dues and Fees	5,175		5,175	5,175	
Total Undist. Expend.-Support Serv.-Gen. Admin.	120,504	43,727	164,231	146,729	17,502
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	60,500	8,251	68,751	68,750	1
Other Purchased Services (400-500 series)	7,000		7,000		7,000
Supplies and Materials	1,000		1,000		1,000
Other Objects	1,250		1,250		1,250
Total Undist. Expend.-Support Serv.-School Adm.	69,750	8,251	78,001	68,750	9,251

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 60,000		\$ 60,000	\$ 60,000	
Purchased Professional Services	15,250	\$ 3,950	19,200	19,200	
Purchased Technical Services	5,000	925	5,925	5,925	
Total Undist. Expend. - Central Services	80,250	4,875	85,125	85,125	
Undist. Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	32,136	402	32,538	23,532	\$ 9,006
Lead Testing of Drinking Water	48,800	(48,800)			
General Supplies	15,000	(12,287)	2,713	2,713	
Other Objects	1,230		1,230		1,230
Total Undist. Expend.- Required Maint. for School Facilities	97,166	(60,685)	36,481	26,245	10,236
Undist. Expend.-Custodial Services:					
Salaries	66,000	4,360	70,360	68,439	1,921
Purchased Professional and Technical Services	22,072	3,375	25,447	25,447	
Cleaning, Repair, and Maintenance Services	4,000		4,000	3,925	75
Insurance	53,000	(5,000)	48,000	47,947	53
General Supplies	13,500	2,979	16,479	16,479	
Energy (Electricity)	25,000		25,000	13,407	11,593
Energy (Oil)	50,050	(14,899)	35,151	34,250	901
Other Objects	214		214	214	
Total Undist. Expend.-Custodial Services	233,836	(9,185)	224,651	210,108	14,543
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	7,500	1,679	9,179	9,179	
General Supplies	2,000		2,000		2,000
Total Care And Upkeep Of Grounds	9,500	1,679	11,179	9,179	2,000
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	340,502	(68,191)	272,311	245,532	26,779

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Salaries of Non-Instructional Aides	\$ 6,000	\$ 10,147	\$ 6,000	\$ 6,000	
Other Purchased Professional and Technical Services	19,000	805	10,147	10,147	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studies	142,063	(9,309)	19,805	18,640	\$ 1,165
Contract. Serv.(Bet. Home & Sch.)-Vendors	21,000	(9,221)	132,754	132,753	1
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	4,400	(1,488)	11,779	11,778	1
Contract. Serv.(Spl. Ed. Students)-Vendors	43,811	46,799	2,912	2,876	36
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	236,274	37,733	90,610	46,799	43,811
Total Undist. Expend.-Student Trans. Serv.			274,007	228,993	45,014
UNALLOCATED BENEFITS					
Social Security Contributions	48,000		48,000	45,932	2,068
Other Retirement Contributions - PERS	10,000	17,954	27,954	27,953	1
Other Retirement Contributions - Regular	6,000		6,000	1,670	4,330
Unemployment Compensation	2,000	210	2,210	2,210	
Workers Compensation	29,400	(2,299)	27,101	27,101	
Health Benefits	475,034	(72,105)	402,929	391,436	11,493
Tuition Reimbursement	5,000		5,000		5,000
Other Employee Benefits	600		600		600
Unused Sick Payment to Terminated/Retired Staff	5,000		5,000	176	4,824
TOTAL UNALLOCATED BENEFITS	581,034	(56,240)	524,794	496,478	28,316
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				95,588	(95,588)
TPAF Pension Contributions (Non-Budgeted)				347,255	(347,255)
TPAF Non-Contributory Insurance (Non-Budgeted)				3,960	(3,960)
TPAF Long-Term Disability Insurance (Non-Budgeted)				128	(128)
Reimbursed TPAF Social Security Contributions				84,189	(84,189)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				531,120	(531,120)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)	581,034	(56,240)	524,794	1,027,598	(502,804)
TOTAL UNDISTRIBUTED EXPENDITURES	2,169,066	28,943	2,198,009	2,518,066	(320,057)
TOTAL GENERAL CURRENT EXPENSE	3,540,593	(53,690)	3,486,903	3,686,311	(199,408)

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Undistributed:					
Undist. Expend. - Custodial Services		\$ 100,306	\$ 100,306	\$ 82,017	\$ 18,289
Total Equipment		100,306	100,306	82,017	18,289
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	\$ 40,000	(40,000)			
Construction Services	180,000	(180,000)			
Assessment for Debt Service on SDA Funding	2,603		2,603	2,603	
Total Facilities Acquisition and Const. Serv.	222,603	(220,000)	2,603	2,603	
TOTAL CAPITAL OUTLAY	222,603	(119,694)	102,909	84,620	18,289
Transfer of Funds to Charter Schools	106,637	51,840	158,477	158,477	
TOTAL EXPENDITURES	3,869,833	(121,544)	3,748,289	3,929,408	(181,119)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(842,277)	121,544	(720,733)	180,514	901,247
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)	(6,165)	(1,850)	(8,015)	(8,015)	
Capital Reserve - Transfer to Capital Projects Fund		(119,694)	(119,694)	(119,694)	
Total Other Financing Sources/(Uses)	(6,165)	(121,544)	(127,709)	(127,709)	
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(848,442)		(848,442)	52,805	901,247
Fund Balance, July 1	1,981,364		1,981,364	1,981,364	
Fund Balance, June 30	\$ 1,132,922	\$ -0-	\$ 1,132,922	\$ 2,034,169	\$ 901,247

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 419,081	
Excess Surplus - Restricted For 2024-2025				563,509	
Impact Aid Reserve (General)				579,666	
Capital Reserve				87,752	
Maintenance Reserve				80,278	
Assigned Fund Balance:					
Year End Encumbrances				6,350	
Designated for Subsequent Year's Expenditures				8,632	
Unassigned Fund Balance				288,901	
				<u>2,034,169</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(43,831)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,990,338</u>	

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
Local Sources	\$ 125	\$ 25	\$ 150	\$ 172	\$ 22
Federal Sources	168,541	101,729	270,270	264,868	(5,402)
Total Revenue	168,666	101,754	270,420	265,040	(5,380)
Expenditures:					
Instruction:					
Salaries of Teachers	48,300	14,424	62,724	62,724	
Purchased Professional and Technical Services		4,068	4,068	4,068	
Tuition	29,049	12,293	41,342	41,342	
General Supplies	20,125	44,788	64,913	64,890	23
Total Instruction	97,474	75,573	173,047	173,024	23
Support Services:					
Salaries of Other Professional Staff		10,883	10,883	10,227	656
Personal Services- Employee Benefits		1,422	1,422	1,422	
Purchased Professional and Technical Services	22,519	5,004	27,523	27,523	
Purchased Professional and Educational Services	29,673	(4,008)	25,665	20,919	4,746
Student Activities				235	(235)
Total Support Services	52,192	13,301	65,493	60,326	5,167
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	19,000	12,880	31,880	31,880	
Total Facilities Acquisition and Construction Services	19,000	12,880	31,880	31,880	
Total Expenditures	168,666	101,754	270,420	265,230	5,190
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (190)	\$ (190)

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
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	\$ 4,109,922	\$ 265,040
Differences - Budget to GAAP:		
Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not:		
Current Year Encumbrances		(2,316)
Prior Year State Aid Payments Recognized for GAAP Statements	33,055	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(43,831)	
	<u> </u>	<u> </u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 4,099,146</u>	<u>\$ 262,724</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 3,929,408	\$ 265,230
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(2,316)
	<u> </u>	<u> </u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 3,929,408</u>	<u>\$ 262,914</u>

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during 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 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	I.D.E.A. Part B		Elementary and Secondary Education Act Title II - Part A	REAP Grant
	Basic	Preschool		
REVENUES:				
Local Sources				
Federal Sources	\$ 41,342	\$ 2,485	\$ 2,835	\$ 30,409
Total Revenues	41,342	2,485	2,835	30,409
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services		2,485		
Tuition	41,342			30,409
General Supplies				
Total Instruction	41,342	2,485		30,409
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services			2,835	
Purchased Professional and Educational Services				
Student Activities				
Total Support Services			2,835	
Facilities Acquisition and Construction Services:				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 41,342	\$ 2,485	\$ 2,835	\$ 30,409

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ARP				
	Accelerated Learning	Summer Learning and Enrichment	Comprehensive Beyond the School Day	Mental Health Support Staffing	Non-Title I
REVENUES:					
Local Sources					
Federal Sources	\$ 38,929	\$ 26,790	\$ 32,982	\$ 19,600	\$ 16,740
Total Revenues	<u>38,929</u>	<u>26,790</u>	<u>32,982</u>	<u>19,600</u>	<u>16,740</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		22,942	28,982		
Purchased Professional and Technical Services					
Tuition					
General Supplies	18,010	765	4,000		10,404
Total Instruction	<u>18,010</u>	<u>23,707</u>	<u>32,982</u>		<u>10,404</u>
Support Services:					
Salaries of Other Professional Staff		3,083			
Personal Services - Employee Benefits				19,600	
Purchased Professional and Technical Services	20,919				
Purchased Professional and Educational Services					
Student Activities					
Total Support Services	<u>20,919</u>	<u>3,083</u>		<u>19,600</u>	
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment					6,336
Total Facilities Acquisition and Construction Services					<u>6,336</u>
Total Expenditures	<u>\$ 38,929</u>	<u>\$ 26,790</u>	<u>\$ 32,982</u>	<u>\$ 19,600</u>	<u>\$ 16,740</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	CRSSA	Local Grants	NJ High Impact Tutoring	Student Activities	Totals
REVENUES:					
Local Sources					
Federal Sources	\$ 25,544	\$ 127	\$ 27,212	\$ 45	\$ 264,868
Total Revenues	25,544	127	27,212	45	265,040
EXPENDITURES:					
Instruction:					
Salaries of Teachers			10,800		62,724
Purchased Professional and Technical Services			1,583		4,068
Tuition					41,342
General Supplies		127	1,175		64,890
Total Instruction		127	13,558		173,024
Support Services:					
Salaries of Other Professional Staff			7,144		10,227
Personal Services - Employee Benefits			1,422		1,422
Purchased Professional and Technical Services			5,088		27,523
Purchased Professional and Educational Services				235	20,919
Student Activities					235
Total Support Services			13,654	235	60,326
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	25,544				31,880
Total Facilities Acquisition and Construction Services	25,544				31,880
Total Expenditures	\$ 25,544	\$ 127	\$ 27,212	\$ 235	\$ 265,230

CAPITAL PROJECTS FUND

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources	
State Sources - ROD Grant	\$ 79,796
Transfer from Capital Reserve	<u>119,694</u>
Total Revenue and Other Financing Sources	<u>199,490</u>
Expenditures :	
Construction Services	<u>199,490</u>
Total Expenditures	<u>199,490</u>
Excess of Revenue and Other Financing Sources Over Expenditures	
Fund Balance - Beginning of Year	<u>-0-</u>
Fund Balance - End of Year	<u><u>\$ -0-</u></u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICTCAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUSBUDGETARY BASISPARTIAL ROOF REPLACEMENTFROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Current Year	Totals	Revised Authorized Cost
Revenue and Other Financing Sources:			
State Sources - ROD Grant	\$ 79,796	\$ 79,796	\$ 79,796
Transfer from Capital Reserve	119,694	119,694	119,694
Total Revenue and Other Financing Sources	199,490	199,490	199,490
Expenditures:			
Construction Services	199,490	199,490	199,490
Total Expenditures	199,490	199,490	199,490
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-
<u>Additional Project Information:</u>			
Project Numbers	4650-050-23-R501		
Grant Date	10/20/2023		
Original Authorized Cost	\$ 255,527		
Adjustments	(56,037)		
Revised Authorized Cost	\$ 199,490		
Percentage Decrease Over Original Authorized Cost	-28.09%		
Percentage Completion	100%		
Original Target Completion Date	6/30/2025		
Revised Target Completion Date	N/A		

PROPRIETARY FUNDS

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 15,061
Intergovernmental Receivable:	
Federal	150
State	11
Interfund Receivable:	
General Fund	12,730

Total Current Assets

27,952

Total Assets

27,952

NET POSITION:

Unrestricted	27,952
--------------	--------

Total Net Position

\$ 27,952

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
STATEMENT OF REVENUE AND EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Operating Revenue:	
Local Sources:	
Other Sales	\$ 4,542
Total Operating Revenue	<u>4,542</u>
Operating Expenses:	
Cost of Sales:	
Reimbursable Programs	8,775
Salaries, Benefits & Payroll Taxes	8,015
Supplies, Insurance & Other Costs	29,382
Miscellaneous Expenses	<u>3,790</u>
Total Operating Expenses	<u>49,962</u>
Operating Loss	<u>(45,420)</u>
Non-Operating Income:	
Local Sources:	
Interest Income	990
State Sources:	
State School Lunch Program	331
Federal Sources:	
National School Lunch Program	6,079
Supply Chain Assistance	7,792
COVID 19 - P-EBT Cost Reimbursement	<u>653</u>
Total Non-Operating Income	<u>15,845</u>
Change in Net Position Before Transfer	(29,575)
Transfer:	
Transfer from General Fund	<u>8,015</u>
Change in Net Position	(21,560)
Net Position - Beginning of Year	<u>49,512</u>
Net Position - End of Year	<u><u>\$ 27,952</u></u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
ENTERPRISE FUND - FOOD SERVICE
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,542
Payments to Food Service Vendor	(8,775)
Payments to Suppliers and Other Expenses	(41,187)
	<hr/>
Net Cash (Used for) Operating Activities	(45,420)
	<hr/>
Cash Flows from Investing Activities:	
Local Sources:	
Interest Income	990
	<hr/>
Net Cash Provided by Investing Activities	990
	<hr/>
Cash Flows from Noncapital Financing Activities:	
Federal Subsidy Reimbursements Collected in Food Service Fund	5,760
Federal Supply Chain Assistance	7,792
Federal - P-EBT Cost Reimbursements Collected in Food Service Fund	653
State Subsidy Reimbursements Collected in Food Service Fund	290
Board Contribution	8,015
	<hr/>
Net Cash Provided by Noncapital Financing Activities	22,510
	<hr/>
Net Increase in Cash and Cash Equivalents	(21,920)
Cash and Cash Equivalents, July 1	36,981
	<hr/>
Cash and Cash Equivalents, June 30	\$ 15,061
	<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (45,420)
	<hr/>
Net Cash (Used for) Operating Activities	\$ (45,420)
	<hr/> <hr/>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
Savin Copiers	0.527%	\$ 16,220	\$ 4,254	\$ 3,627	\$ 627
			<u>\$ 4,254</u>	<u>\$ 3,627</u>	<u>\$ 627</u>

STATISTICAL SECTION

(UNAUDITED)

This part of the School's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School's overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information	
These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023*	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 976,484	\$ 1,031,753	\$ 1,119,510	\$ 1,250,611	\$ 1,254,092	\$ 1,213,220	\$ 1,148,668	\$ 1,084,651	\$ 1,096,919	\$ 1,167,351
Restricted	1,066,847	1,330,409	1,098,335	897,843	1,168,584	1,266,710	1,394,302	1,481,342	1,673,451	1,731,697
Unrestricted/(Deficit)	169,058	(306,022)	(458,204)	(342,243)	(786,013)	(705,395)	(634,487)	(435,960)	(327,868)	(233,178)
Total Governmental Activities Net Position	\$ 2,212,388	\$ 2,056,140	\$ 1,759,640	\$ 1,806,211	\$ 1,636,663	\$ 1,774,535	\$ 1,908,483	\$ 2,130,033	\$ 2,442,502	\$ 2,665,870
Business-Type Activities:										
Unrestricted/(Deficit)	\$ 8,268	\$ 9,423	\$ 10,688	\$ 2,145	\$ 3,629	\$ 1,125	\$ 25,043	\$ 25,130	\$ 49,512	\$ 27,952
Total Business-type Activities Net Position	\$ 8,268	\$ 9,423	\$ 10,688	\$ 2,145	\$ 3,629	\$ 1,125	\$ 25,043	\$ 25,130	\$ 49,512	\$ 27,952
District-Wide:										
Net Investment in Capital Assets	\$ 976,484	\$ 1,031,753	\$ 1,119,510	\$ 1,250,611	\$ 1,254,092	\$ 1,213,220	\$ 1,148,668	\$ 1,084,651	\$ 1,096,919	\$ 1,167,351
Restricted	1,066,847	1,330,409	1,098,335	897,843	1,168,584	1,266,710	1,394,302	1,481,342	1,673,451	1,731,697
Unrestricted/(Deficit)	177,325	(296,600)	(447,517)	(340,098)	(782,384)	(704,270)	(609,444)	(410,830)	(278,356)	(205,226)
Total District Net Position	\$ 2,220,656	\$ 2,065,562	\$ 1,770,328	\$ 1,808,356	\$ 1,640,292	\$ 1,775,660	\$ 1,933,526	\$ 2,155,163	\$ 2,492,014	\$ 2,693,822

* as Restated

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular										
Special Education	\$ 1,354,863	\$ 1,497,153	\$ 1,621,130	\$ 1,821,842	\$ 1,688,360	\$ 1,488,882	\$ 1,377,070	\$ 1,326,839	\$ 1,399,604	\$ 1,190,920
School Sponsored/Other Instruction	376,855	371,690	386,110	561,361	603,758	602,515	526,324	473,606	690,026	469,684
Support Services:	130,667	153,288	161,632	203,208	213,871	160,134	30,145	39,728	26,739	33,299
Tuition	75,597	33,167	71,167	130,653	215,368	174,325	261,341	299,320	61,549	138,758
Student & Instruction Related Services	505,909	519,718	496,296	408,999	507,096	491,046	517,113	421,397	538,383	708,442
General Administrative Services	251,282	257,986	291,444	346,756	326,752	270,551	105,237	118,975	132,945	179,574
Central Services	73,444	72,891	80,198	98,057	97,875	131,305	104,974	87,454	92,809	83,329
Plant Operations and Maintenance							111,190	94,222	94,573	103,819
Pupil Transportation	272,385	270,367	254,393	283,865	277,801	245,071	256,025	224,367	251,437	269,547
SDA Debt Service Assessment	171,334	169,533	169,629	185,006	237,477	193,938	199,080	231,911	175,258	230,994
Charter Schools	2,603	2,603	2,603	2,603	2,603	2,412	21,571	21,571	2,603	118,199
Total Governmental Activities Expenses	3,214,939	3,348,395	3,560,516	4,082,004	4,245,940	3,921,177	3,589,900	3,404,252	3,578,705	3,685,042
Business-type Activities:										
Food Service	18,807	15,642	15,639	13,560	11,738	7,283	4,700	36,599	17,410	49,962
Total Business-type Activities Expense	18,807	15,642	15,639	13,560	11,738	7,283	4,700	36,599	17,410	49,962
Total District Expenses	3,233,745	3,364,038	3,576,155	4,095,564	4,257,678	3,928,460	3,594,600	3,440,851	3,596,115	3,735,004
Program Revenues										
Governmental Activities:										
Charges for Services:						\$ 506				\$ 41,917
Operating Grants and Contributions	\$ 341,233	\$ 348,388	\$ 351,364	\$ 1,193,476	\$ 1,090,576	\$ 919,597	\$ 731,920	\$ 696,677	\$ 714,934	\$ 504,348
Total Governmental Activities Program Revenues	341,233	348,388	351,364	1,193,476	1,090,576	920,103	731,920	696,677	714,934	546,265
Business-type Activities:										
Charges for Services:										
Food Service	5,256	5,764	6,136	3,897	3,596	2,894	347	405	5,226	4,542
Operating Grants and Contributions	1,847	3,211	2,679	1,106	1,515	693	10,068	36,885	28,567	14,855
Total Business-type Activities Program Revenues	7,102	8,974	8,815	5,003	5,111	3,586	10,415	37,290	33,793	19,397
Total District Program Revenues	348,335	357,362	360,180	1,198,479	1,095,687	923,689	742,335	733,967	748,727	565,662
Net (Expense)/Revenue										
Governmental Activities	(2,873,706)	(3,000,008)	(3,209,152)	(2,888,528)	(3,155,364)	(3,001,074)	(2,857,980)	(2,707,575)	(2,863,771)	(3,138,777)
Business-type Activities	(11,705)	(6,668)	(6,823)	(8,557)	(6,627)	(3,697)	5,715	691	16,383	(30,565)
Total District-wide Net Expense	(2,885,411)	(3,006,676)	(3,215,975)	(2,897,085)	(3,161,991)	(3,004,771)	(2,852,265)	(2,706,884)	(2,847,388)	(3,169,342)

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

(Continued)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,968,188	\$ 2,007,551	\$ 2,047,702	\$ 2,088,656	\$ 2,144,261	\$ 2,187,146	\$ 2,230,889	\$ 2,275,507	\$ 2,321,017	\$ 2,413,858
Federal and State Aid not restricted	842,985	837,227	848,043	827,557	826,931	819,063	718,433	640,287	610,976	747,825
Tuition			16,617			9,133				
Investment Earnings	4,772	4,419	4,755	13,529	13,891	3,465	3,222	2,686	22,027	20,144
Miscellaneous Income	8,005	2,372	3,606	5,356	8,831	68,552	48,218	18,283	153,991	188,333
Transfers							(8,253)	(7,638)	(7,849)	(8,015)
Other Income	(7,662)	(7,810)	(8,071)		(8,098)	(1,183)				
Total Governmental Activities	2,816,288	2,843,759	2,912,652	2,935,098	2,985,816	3,086,175	2,992,509	2,929,125	3,100,162	3,362,145
Business-type Activities:										
Transfers	7,662	7,810	8,071		8,098	1,183	8,253	7,638	7,849	8,015
Investment Earnings	20	12	18	14	12	10	8	11	150	990
Other Item - Cancellation of Interfund Receivable								(8,253)		
Other Item - Cancellation of Accounts Payable							9,942			
Total Business-type Activities	7,682	7,823	8,089	14	8,110	1,193	8,261	(604)	7,999	9,005
Total District-wide	2,823,970	2,851,582	2,920,741	2,935,112	2,993,926	3,087,369	3,000,770	2,928,521	3,108,161	3,371,150
Change in Net Position										
Governmental Activities	(57,418)	(156,249)	(296,499)	46,570	(169,548)	85,101	134,529	221,550	236,391	223,368
Business-type Activities	(4,022)	1,155	1,265	(8,543)	1,483	(2,503)	13,976	87	24,382	(21,560)
Total District	\$ (61,440)	\$ (155,094)	\$ (295,234)	\$ 38,028	\$ (168,064)	\$ 82,598	\$ 148,505	\$ 221,637	\$ 260,773	\$ 201,808

Source: School District Financial Reports

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 942,703	\$ 860,587	\$ 1,019,990	\$ 878,757	\$ 1,142,691	\$ 1,137,335	\$ 1,392,988	\$ 1,479,741	\$ 1,671,850	\$ 1,730,286
Assigned	570,234	467,244	511,989	384,149	54,598	128,061	34,404	43,811	51,398	14,982
Unassigned	563,993	562,601	193,128	251,659	143,568	229,240	249,014	266,409	225,061	245,070
Total General Fund	<u>\$ 2,076,930</u>	<u>\$ 1,890,431</u>	<u>\$ 1,725,107</u>	<u>\$ 1,514,566</u>	<u>\$ 1,340,857</u>	<u>\$ 1,494,636</u>	<u>\$ 1,676,406</u>	<u>\$ 1,789,961</u>	<u>\$ 1,948,309</u>	<u>\$ 1,990,338</u>
All Other Governmental Funds:										
Restricted						\$ 1,314	\$ 1,314	\$ 1,601	\$ 1,601	\$ 1,411
Total All Other Governmental Funds	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,314</u>	<u>\$ 1,314</u>	<u>\$ 1,601</u>	<u>\$ 1,601</u>	<u>\$ 1,411</u>

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 1,968,188	\$ 2,007,551	\$ 2,047,702	\$ 2,088,656	\$ 2,144,261	\$ 2,187,146	\$ 2,230,889	\$ 2,275,507	\$ 2,321,017	\$ 2,413,858
Tuition Charges			16,617			9,133				41,745
Transportation Fees	4,772	4,419	4,755	13,529	13,891	3,465	3,222	2,686	22,027	20,144
Interest Earnings on Restricted Funds	8,005	2,372	3,606	5,356	8,831	68,552	48,218	18,283	153,991	188,505
Miscellaneous	750,403	752,799	750,698	934,402	1,005,074	967,643	946,190	834,334	925,000	1,097,858
State Sources	433,815	432,816	448,709	429,456	425,826	426,695	415,317	510,856	371,103	679,556
Federal Sources										
Total Revenue	3,165,183	3,199,957	3,272,088	3,471,399	3,597,883	3,663,140	3,643,836	3,641,666	3,793,138	4,441,666
Expenditures										
Instruction										
Regular Instruction	970,669	1,006,671	1,019,782	1,013,493	935,174	873,971	819,465	896,187	792,480	988,946
Special Education Instruction	252,768	255,367	244,980	283,224	327,942	357,465	289,763	297,477	425,865	374,314
Other Special Instruction							17,237	28,042	17,394	26,322
School Sponsored/Other Instruction	111,418	129,328	123,918	130,431	130,976	101,105				
Support Services:										
Tuition	75,597	33,167	71,167	130,653	215,368	174,325	261,341	299,320	26,493	138,758
Student & Other Instruction Related Services	430,553	447,688	415,270	328,064	357,434	337,977	408,558	360,830	479,941	618,158
General Administration Services	202,891	203,858	200,406	207,902	185,488	180,298	100,666	119,152	56,714	146,729
School Administrative Services	61,631	60,819	60,494	60,566	60,585	65,204	57,594	56,375	128,832	68,750
Central Services							84,677	79,589	85,125	
Plant Operations and Maintenance	256,040	253,072	224,875	226,969	208,590	180,377	224,120	203,965	241,417	245,532
Student Transportation	156,257	156,246	152,230	161,554	224,565	191,270	194,534	230,783	174,601	228,993
Allocated and Unallocated Benefits	643,922	719,174	741,642	903,557	952,830	911,136	894,457	862,033	1,078,560	1,027,598
Charter School	68,811	113,255	148,664	195,874	89,563	25,702	98,989	64,862	112,779	158,477
Capital Outlay			25,914	39,654	74,978	160,806	2,412	21,571	2,603	284,110
Total Expenditures	3,230,556	3,378,645	3,429,342	3,681,940	3,763,493	3,559,634	3,453,813	3,520,186	3,626,941	4,391,812
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(65,373)	(178,688)	(157,254)	(210,541)	(165,610)	103,506	190,023	121,480	166,197	49,854
Other Financing Sources/(Uses):										
Transfers Out	(7,662)	(7,810)	(8,071)		(8,098)	(1,163)	(8,253)	(7,638)	(7,849)	(8,015)
Total Other Financing Sources/(Uses)	(7,662)	(7,810)	(8,071)		(8,098)	(1,163)	(8,253)	(7,638)	(7,849)	(8,015)
Net Change in Fund Balances	\$ (73,035)	\$ (186,499)	\$ (165,325)	\$ (210,541)	\$ (173,708)	\$ 102,343	\$ 181,770	\$ 113,842	\$ 158,348	\$ 41,839
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%

Source: School District Financial Reports

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Other</u>	<u>Total</u>
2015	\$ 4,772		\$ 8,005	12,777
2016	4,419		2,372	6,792
2017	4,755	\$ 16,617	3,606	24,979
2018	13,529		5,356	18,885
2019	13,891		8,831	22,722
2020	3,465	9,133	69,058	81,656
2021	3,222		48,218	51,440
2022	2,686		17,277	19,963
2023	19,430		134,561	153,991
2024	20,144	41,745	188,333	250,222

Source: School District Financial Reports

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

UNAUDITED

Sandyston Township

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2014	\$ 9,847,400	\$ 204,725,200	\$ 33,620,500	\$ 20,498,900	\$ 2,373,100	\$ 732,409	\$ 271,797,509	\$ 1.362	\$ 254,896,069
2015	6,027,800	169,773,000	29,637,200	17,823,500	2,112,800	853,490	226,227,790	1.657	239,858,743
2016	5,945,000	170,411,400	29,262,000	17,938,700	1,963,200	731,978	226,252,278	1.668	246,356,077
2017	5,964,800	171,603,000	28,963,000	17,885,100	1,963,200		226,379,100	1.660	244,406,764
2018	5,548,900	170,418,800	29,999,000	17,806,100	1,963,200		225,736,000	1.675	249,172,059
2019	5,557,800	171,380,300	29,013,400	17,802,700	1,963,200		225,717,400	1.680	245,196,067
2020	5,328,000	171,652,300	29,465,500	17,802,700	1,963,200		226,211,700	1.792	252,710,976
2021	4,810,300	169,252,500	31,530,400	17,797,000	1,963,200		225,353,400	1.894	255,005,175
2022	4,791,800	170,166,000	31,284,600	17,690,000	1,963,200		225,895,600	1.920	289,968,227
2023	4,989,400	170,901,000	30,258,100	17,690,000	1,781,800		225,620,300 *	2.039	319,536,858

Walpack Township

Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Actual (County Equalized Value)
2014	\$ 441,800	\$ 582,350	\$ 445,700	\$ 1,452,700		\$ 75,403	\$ 2,997,953		\$ 3,486,185
2015	68,000	561,750	445,700	1,452,700		96,021	2,624,171		3,085,456
2016	68,000	561,750	445,700	1,452,700		80,304	2,608,454	\$ 0.003	2,915,163
2017	68,000	561,750	445,700	1,452,700		80,304	2,608,454		2,932,623
2018	68,000	561,750	255,700	1,452,700		5,948	2,344,098		2,682,773
2019	68,000	561,750	255,700	1,452,700		5,626	2,343,776		3,078,390
2020	68,000	561,750	255,700	1,452,700		5,626	2,343,776		3,042,895
2021	68,000	561,750	255,700	1,452,700		5,626	2,343,776		3,044,019
2022	68,000	561,750	255,700	1,452,700		5,626	2,343,776		3,043,457
2023	68,000	561,750	190,900	1,452,700		5,626	2,278,976 *		3,061,633

* - Year in which the reassessment became effective.

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

Source: Municipal Tax Assessor

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Sandyston Township

Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County	Regional High School	
2014	\$ 1.362		\$ 1.362	\$ 0.201	\$ 0.490		\$ 2.053
2015	1.657		1.657	0.261	0.547		2.465
2016	1.668		1.668	0.332	0.553		2.553
2017	1.660		1.660	0.300	0.581		2.541
2018	1.675		1.675	0.267	0.643		2.585
2019	1.680		1.680	0.270	0.651		2.601
2020	1.792		1.792	0.272	0.655		2.719
2021	1.894		1.894	0.279	0.663		2.836
2022	1.920		1.920	0.284	0.723		2.927
2023	* 2.039		2.039	0.293	0.732		3.064

Walpack Township

Year Ended December 31,	Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County	Regional High School	
2014					\$ 0.602		\$ 0.602
2015					0.599	\$ 1.757	2.356
2016	\$ 0.003		\$ 0.003		0.609	1.753	2.365
2017					0.643	0.860	1.503
2018					0.658		0.658
2019					0.754		0.754
2020					0.752		0.752
2021					0.753		0.753
2022					0.722		0.722
2023	*				0.666		0.666

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

* Year in which the reassessment became effective.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2023			2014		
<u>Sandyston Township</u>					
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Dingmans Choice & Delaware Bridge	\$ 1,500,000	0.46%	INFORMATION NOT AVAILABLE		
Global Signal Acquisitions IV, LLC	1,232,000	0.37%			
Hidden Acres Farm	949,700	0.29%			
Shi Resources, LP	876,500	0.27%			
Ariben Realty, LLC	834,200	0.25%			
Nalta J, Malvin J & Frances G. TST	780,700	0.24%			
Individual Taxpayer #1	688,500	0.21%			
Individual Taxpayer #2	662,100	0.20%			
Individual Taxpayer #3	587,900	0.18%			
Barbagallo Realty	581,300	0.18%			
Total	<u>\$ 8,692,900</u>	<u>2.64%</u>			

2023			2014		
<u>Walpack Township</u>					
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Walpack Inn	\$ 982,800	0.30%	INFORMATION NOT AVAILABLE		
Kenneth Salazar, LLC	469,900	0.14%			
Cedar Valley Fann, LLC	166,300	0.05%			
Individual Taxpayer 1	86,300	0.03%			
Individual Taxpayer 2	85,400	0.03%			
Overlook Rod & Gun	77,000	0.02%			
Individual Taxpayer 3	74,000	0.02%			
Commerce Associates, Inc.	65,900	0.02%			
Individual Taxpayer 4	63,850	0.02%			
Individual Taxpayer 5	59,200	0.02%			
Total	<u>\$ 2,130,650</u>	<u>0.65%</u>			

Source: Municipal Tax Assessor

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Sandyston Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2015	\$ 1,906,363	\$ 1,906,363	100.00%	\$ 1,906,363	100.00%
2016	2,007,551	2,007,551	100.00%	2,007,551	100.00%
2017	2,025,888	2,025,888	100.00%	2,025,888	100.00%
2018	2,066,405	2,066,405	100.00%	2,066,405	100.00%
2019	2,121,418	2,121,418	100.00%	2,121,418	100.00%
2020	2,163,846	2,163,846	100.00%	2,163,846	100.00%
2021	2,207,123	2,207,123	100.00%	2,207,123	100.00%
2022	2,251,503	2,251,503	100.00%	2,251,503	100.00%
2023	2,296,291	2,296,291	100.00%	2,296,291	100.00%
2024	2,388,905	2,190,381	91.69%	2,190,381	91.69%

Walpack Township

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2015	\$ 61,825	\$ 56,921	92.07%	\$ 56,921	92.07%
2016	-0-	-0-	0.00%	-0-	100.00%
2017	21,814	21,814	100.00%	21,814	100.00%
2018	22,251	22,251	100.00%	22,251	100.00%
2019	22,843	22,843	100.00%	22,843	100.00%
2020	23,300	23,300	100.00%	23,300	100.00%
2021	23,766	23,766	100.00%	23,766	100.00%
2022	24,004	24,004	100.00%	24,004	100.00%
2023	24,726	24,726	100.00%	24,726	100.00%
2024	24,953	24,953	100.00%	24,953	100.00%

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

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

UNAUDITED

(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Bond Anticipation Notes (BANs)		Financed Purchases	Financed Purchases			
		Financed Purchases	Financed Purchases					
2015	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	0.00%	\$ -0-	
2016	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2017	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2018	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2019	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2020	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2021	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2022	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2023	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	
2024	-0-	-0-	-0-	-0-	-0-	0.00%	-0-	

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

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

Source: School District Financial Reports

SANDYSTON-WALPACK CONSOLIDATED 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		
2015	\$ -0-	\$ -0-	\$ -0-	0.00%	\$ -0-
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-
2018	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	0.00%	-0-
2020	-0-	-0-	-0-	0.00%	-0-
2021	-0-	-0-	-0-	0.00%	-0-
2022	-0-	-0-	-0-	0.00%	-0-
2023	-0-	-0-	-0-	0.00%	-0-
2024	-0-	-0-	-0-	0.00%	-0-

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
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			
Sandyston Township	\$ -0-	100.00%	\$ -0-
Walpack Township	-0-	100.00%	-0-
Subtotal, Overlapping Debt			-0-
Sandyston-Walpack Consolidated School District Direct Debt			<u>-0-</u>
Total Direct And Overlapping Debt			<u><u>\$ -0-</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipalities that comprise the Sandyston-Walpack Consolidated School District. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2024

	Sandyston Township	Walpack Township	Equalized Valuation Basis
2023	\$ 325,946,692	\$ 2,620,129	\$ 328,566,821
2022	319,287,067	2,614,503	321,901,570
2021	288,692,544	2,614,503	291,307,047
			<u>\$ 941,775,438</u>

Average Equalized Valuation of Taxable Property \$ 313,925,146

Debt Limit (3% of average equalization value) a \$ 7,848,129
Net Bonded School Debt -0-
Legal Debt Margin \$ 7,848,129

Fiscal Year

	2020	2021	2022	2023	2024
Debt Limit	\$ 6,278,268	\$ 6,328,042	\$ 6,499,813	\$ 6,801,757	\$ 7,848,129
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 6,278,268</u>	<u>\$ 6,328,042</u>	<u>\$ 6,499,813</u>	<u>\$ 6,801,757</u>	<u>\$ 7,848,129</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

Fiscal Year

	2015	2016	2017	2018	2019
Debt Limit	\$ 6,288,661	\$ 6,327,572	\$ 6,228,312	\$ 6,209,546	\$ 6,206,674
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 6,288,661</u>	<u>\$ 6,327,572</u>	<u>\$ 6,228,312</u>	<u>\$ 6,209,546</u>	<u>\$ 6,206,674</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Sandyston Township					
Year	Population ^a	Township Personal Income ^b	Sussex County Per Capita Personal Income ^c	Unemployment Rate ^d	
2015	1,881	\$ 104,782,986	\$ 55,706	4.60%	
2016	1,867	106,430,202	57,006	3.80%	
2017	1,847	108,599,906	58,798	3.90%	
2018	1,838	112,404,728	61,156	3.00%	
2019	1,826	116,469,584	63,784	8.80%	
2020	1,987	134,746,418	67,814	8.10%	
2021	1,987	141,194,233	71,059	6.90%	
2022	2,000	143,342,000	71,671	3.20%	
2023	2,006	143,772,026 ***	71,671 *	3.90%	
2024	2,006 **	143,772,026 ***	71,671 *	N/A	

Walpack Township					
Year	Population ^a	Township Personal Income ^b	Sussex County Per Capita Personal Income ^c	Unemployment Rate ^d	
2015	11	\$ 612,766	\$ 55,706	4.60%	
2016	11	627,066	57,006	3.80%	
2017	11	646,778	58,798	3.90%	
2018	11	672,716	61,156	3.00%	
2019	11	701,624	63,784	8.80%	
2020	11	745,954	67,814	14.30%	
2021	5	355,295	71,059	22.20%	
2022	8	573,368	71,671	0.00%	
2023	6	430,026 ***	71,671 *	0.00%	
2024	6 **	430,026 ***	71,671 *	N/A	

* - Latest Sussex County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest available population data (2023) and latest available Sussex County per capita personal income (2022) was used for calculation purposes.

N/A - Not Available

Sources:

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

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

^c Per capita personal income by municipality estimated based upon the 2020 Census published by the US Bureau of Economic Analysis.

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

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - SUSSEX COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2024	2014		Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
		Employer	Employees				
Selective Insurance Group Inc.			1,000-4,999	1.43%-7.17%			
Crystal Springs Resort			1,000-4,999	0.72%-1.43%			
Newton Medical Center			500-999	0.72%-1.43%			
Sussex County Offices			500-999	0.36%-0.72%			
Thorlabs			500-999	0.14%-0.36%			
Mountain Creek Resort			500-999	0.14%-0.36%			
Shop Rite			250-499	0.14%-0.36%			
Sussex County Community College			250-499	0.14%-0.36%			
United Methodist Community Bristol Glen			250-499	0.14%-0.36%			
			<u>4,750-15,491</u>	<u>3.93%-12.55%</u>			
Total Employment - Sussex County			<u>75,673</u>				

INFORMATION NOT AVAILABLE

Source: County of Sussex, Department of Administration and Finance.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

(accrual basis of accounting)

<u>Function/Program:</u>	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction:										
Regular	12.7	12.8	12.8	12.3	12.3	12.3	12.3	9.7	11.0	11.0
Special Education	6.4	6.5	6.5	6.5	6.5	6.5	6.5	6.4	4.2	4.2
Other	1.4	1.4	1.6	1.2	1.2	1.2	1.2	1.4	2.8	2.8
Support Services:										
Student & Instruction Related Services	1	1	1	1.1	1.1	1.1	1.1	N/A	N/A	N/A
School Administrative Services	1	1	1	1	1	1	1	0.4	1.0	1.0
General Administrative Services	2.1	2.1	2.1	2.1	2.1	2.1	2.1	1.4	1.2	1.2
Central Services	2.06	2.06	2.0	2.4	2.4	2.4	2.4	2.2	3.0	3.0
Plant Operations and Maintenance	0.40	0.47	0.47	0.54	0.54	0.54	0.54	1.8	1.2	1.2
	<u>27.06</u>	<u>27.33</u>	<u>27.47</u>	<u>27.14</u>	<u>27.14</u>	<u>27.14</u>	<u>27.14</u>	<u>23.30</u>	<u>24.48</u>	<u>24.48</u>

N/A - As of 2022, Student & Instruction Related Services Administered by Consultants

Source: School District Records

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary Schools	Schools				
2015	150.0	\$ 3,163,745	\$ 21,092	11.96%	17	1:8.82	1:8.82	148.2	136.1	0.20%	91.84%
2016	145.0	3,265,390	22,520	6.77%	18	1:8.06	1:8.06	145.4	137.6	-1.89%	94.64%
2017	148.0	3,280,677	22,167	-1.57%	18	1:8.22	1:8.22	147.9	140.5	1.72%	95.00%
2018	141.0	3,486,067	24,724	11.54%	17	1:8.29	1:8.29	140.9	135.8	-4.73%	96.38%
2019	138.0	3,693,900	26,767	8.27%	17	1:8.12	1:8.12	132.9	126.2	-5.68%	94.96%
2020	125.0	3,533,932	28,271	5.62%	17	1:7.35	1:7.35	119.2	114.7	-10.31%	96.22%
2021	118.0	3,451,401	29,249	3.46%	17	1:6.84	1:6.84	112.2	108.7	-5.87%	96.88%
2022	128.0	3,498,615	27,333	-6.55%	17	1:7.53	1:7.53	126.7	118.9	12.92%	93.84%
2023	125.0	3,624,338	28,995	6.08%	18	1:6.94	1:6.94	123.4	115.9	-2.57%	93.88%
2024	130.0	3,844,788	29,575	2.00%	18	1:7.22	1:7.22	124.3	117.2	0.70%	94.29%

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d The Cost per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Sources: School District Records

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>District Building</u>					
<u>Elementary</u>					
<u>Sandyston-Walpack Elementary</u>					
Square Feet	24,694	24,694	24,694	24,694	24,694
Capacity (students)	210	210	210	210	210
Enrollment	125	118	128	125	130

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>					
<u>Elementary</u>					
<u>Sandyston-Walpack Elementary</u>					
Square Feet	24,694	24,694	24,694	24,694	24,694
Capacity (students)	210	210	210	210	210
Enrollment	143	145	149	141	138

Number of Schools at June 30, 2024

Elementary = 1

Note: Enrollment is based on the annual October district count.

Source: School District Records

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
GENERAL FUND SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

<u>Facility</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>School Facilities:</u>					
Elementary School	\$ 43,686	\$ 52,933	\$ 34,865	\$ 25,148	\$ 26,245
Grand Total	<u>\$ 43,686</u>	<u>\$ 52,933</u>	<u>\$ 34,865</u>	<u>\$ 25,148</u>	<u>\$ 26,245</u>

<u>Facility</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>School Facilities:</u>					
Elementary School	\$ 83,847	\$ 99,715	\$ 65,106	\$ 60,676	\$ 54,226
Grand Total	<u>\$ 83,847</u>	<u>\$ 99,715</u>	<u>\$ 65,106</u>	<u>\$ 60,676</u>	<u>\$ 54,226</u>

Source: District records

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2024
UNAUDITED

	Coverage		Deductible
School Alliance Insurance Fund (SAIF):			
Property - Blanket Building and Contents Including Boiler and Building and Personal Property	\$ 500,000,000	Fund Aggregate	\$ 2,500
Each Occurrence	10,000,000		25,000
General Aggregate	100,000,000		25,000
Equipment	100,000,000		2,500
Earthquake	25,000,000		25,000
General Liability including Auto, Employee Benefits	5,000,000		1,000
Each Occurrence	10,000,000		
General Aggregate	100,000,000	Fund Aggregate	
Product Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses	10,000		
(Excluding Students Taking Part in Athletics)			
Automobile Coverage			
Combined Single Limit			
Hired/Non Owned			
Environmental Impairment Liability	1,000,000/10,000,000	Fund Aggregate	10,000
		First Party Fungi & Legionella	100,000
		Third Party Fungi & Legionella	50,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler and Machinery	100,000,000	Fund Aggregate	2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal	5,000,000/5,000,000		5,000
Excess SLPL	5,000,000/5,000,000		
Cyber Liability	500,000	per Occurrence/Agg	50,000
Aggregate	1,000,000		
Workers' Compensation	5,000,000		
Employer's Liability	5,000,000		
Supplemental Indemnity	Statutory		
Bond for Business Administrator	150,000	Selective Insurance	
Bond for Treasurer of School Monies	150,000	Selective Insurance	
Student Accident	25,000	Bollinger	

Source: School District records

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sandyston-Walpack Consolidated School District
County of Sussex, New Jersey

We have audited, in accordance with the 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sandyston-Walpack Consolidated School District in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

The Honorable President and Members
of the Board of Education
Sandyston-Walpack Consolidated School District
Page 2

Report on Compliance and Other Matters

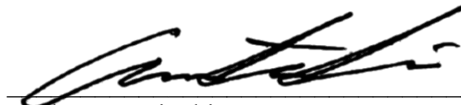
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

October 10, 2024
Mount Arlington, New Jersey

NISIVOC CIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

Report on Compliance For Each Major State Program:
Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sandyston-Walpack Consolidated School District
County of Sussex, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Sandyston-Walpack Consolidated School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2024. The District's major state program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major State Program

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

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

The Honorable President and Members
of the Board of Education
Sandyston-Walpack Consolidated School District
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Sandyston-Walpack Consolidated School District
Page 3

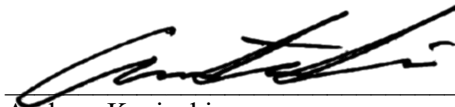
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

October 10, 2024
Mount Arlington, New Jersey

NISIVOCCIA LLP



Andrew Kucinski
Licensed Public School Accountant #2684
Certified Public Accountant

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/ Cluster Title	Assistance Listing Number	State Program Number	Grant Period	Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Balance at June 30, 2024		Amount Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education Passed-through State Department of Education:											
Special Revenue Fund:											
Elementary and Secondary Education Act:											
Title II, Part A	84.367A	ESEA465024	7/1/23-9/30/24	\$ 2,919			\$ 1,875	\$ (2,835)	\$ (960)		
Title II, Part A	84.367A	ESEA465023	7/1/22-9/30/23	2,037	\$ (165)		165				
Small Rural School Achievement Program	84.358A	S358A023332	7/1/23-9/30/24	33,254			33,254	(30,409)		\$ 33,254	
Small Rural School Achievement Program	84.358A	S358A023332	7/1/22-9/30/23	30,409		\$ 30,409					
NJ High Impact Tutoring	84.425C	E2400416	10/1/23-8/31/24	32,530				(27,212)	(27,212)		
Special Education Cluster:											
IDEA Combined Grant:											
I.D.E.A. Part B, Basic	84.027	IDEA465024	7/1/23-9/30/24	41,342			36,447	(41,342)	(4,895)		
I.D.E.A. Part B, Basic	84.027	IDEA465023	7/1/22-9/30/23	35,056	(16,287)		16,287				
I.D.E.A. Part B, Preschool	84.173	IDEA465024	7/1/23-9/30/24	2,485			1,063	(2,485)	(1,422)		
I.D.E.A. Part B, Preschool	84.173X	IDEA465023	7/1/22-9/30/23	1,255	(1,255)			(1,255)	(1,255)		
Total Special Education Cluster					(17,542)		53,797	(43,827)	(7,572)		
Education Stabilization Fund:											
COVID 19 - CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000	(14,800)		14,800				
COVID 19 - CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(29,372)		29,372				
COVID 19 - CRRSA - Non-Title I	84.425D	S425D210027	3/13/20-9/30/23	42,552	(13,722)		39,266	(25,544)			
COVID-19 - ARP - Accelerated Learning											
Coaching and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	50,000			18,815	(38,929)	(20,114)		
COVID-19 - ARP - Evidence-Based Summer											
Learning and Enrichment Activities	84.425U	S425U210027	3/13/20-9/30/24	40,000			14,528	(26,790)	(12,262)		
COVID-19 - ARP - Evidence-Based											
Comprehensive Beyond the School Day Activities	84.425U	S425U210027	3/13/20-9/30/24	40,000	(7,018)		1,762	(32,982)	(38,238)		
COVID-19 - NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(11,000)		12,741	(19,600)	(17,859)		
COVID-19 - ARP - Non-Title I	84.425U	S425U210027	3/13/20-9/30/24	85,105	(22,10)			(16,740)	(18,950)		
Total Education Stabilization Fund					(78,122)		131,284	(160,585)	(107,423)		
Total Special Revenue Fund					(95,829)	30,409	220,375	(264,868)	(143,167)	33,254	
General Fund:											
Impact Aid	84.041	N/A	7/1/23-6/30/24	417,004			417,004	(417,004)			
Total U.S. Department of Education					(95,829)	30,409	637,379	(681,872)	(143,167)	33,254	

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program Title/ Cluster Title	Assistance Listing Number	State Program Number	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024			Amount Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Agriculture Passed-through State Department of Agriculture:											
Child Nutrition Cluster:											
COVID-19 - Supply Chain Assistance Award	10.555	N/A	7/1/22-9/30/24	28,465			7,792	(7,792)			
National School Lunch Program	10.555	N/A	7/1/23-6/30/25	6,079			5,929	(6,079)	(150)		
National School Lunch Program	10.555	N/A	7/1/22-6/30/25	7,056	(349)		349				
Total U.S. Department of Agriculture/Child Nutrition Cluster					(349)		14,070	(13,871)	(150)		
COVID 19 - Pandemic EBT Food Benefits	10.649	N/A	7/1/21-6/30/24	653			653	(653)			
Total Child Nutrition Cluster / U.S. Department of Agriculture					(349)		14,723	(14,524)	(150)		
Total Federal Awards					\$ (96,178)	\$ 30,409	\$ 652,102	\$ (696,396)	\$ (143,317)	\$ 33,254	\$ -0-
N/A - Not Applicable											

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Balance at June 30, 2024		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
General Fund:									
New Jersey Department of Education:									
Transportation Aid	24-495-034-5120-014	7/1/23 - 6/30/24	\$ 45,558			\$ 41,029	\$ (45,558)	\$ (4,529)	\$ 45,558
Special Education Categorical Aid	24-495-034-5120-089	7/1/23 - 6/30/24	142,839			128,640	(142,839)	(14,199)	142,839
Security Aid	24-495-034-5120-084	7/1/23 - 6/30/24	14,577			13,128	(14,577)	(1,449)	14,577
Equalization Aid	24-495-034-5120-078	7/1/23 - 6/30/24	237,943			214,289	(237,943)	(23,654)	237,943
Extraordinary Special Education Aid	24-495-034-5120-044	7/1/23 - 6/30/24	52,251					(52,251)	52,251
Nonpublic Transportation	24-495-034-5120-014	7/1/23 - 6/30/24	4,550					(4,550)	4,550
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23 - 6/30/24	84,189			79,970	(84,189)	(4,219)	84,189
Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	5,430	\$ (539)		539			5,430
Special Education Categorical Aid	23-495-034-5120-089	7/1/22 - 6/30/23	87,136	(8,645)		8,645			87,136
Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	2,651	(263)		263			2,651
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	237,943	(23,608)		23,608			237,943
Extraordinary Special Education Aid	23-495-034-5120-044	7/1/22 - 6/30/23	19,684	(19,684)		19,684			19,684
Nonpublic Transportation	23-495-034-5120-014	7/1/22 - 6/30/23	3,432	(3,432)		3,432			3,432
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22 - 6/30/23	74,456	(3,757)		3,757			74,456
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23 - 6/30/24	95,588			95,588	(95,588)		95,588
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23 - 6/30/24	347,255			347,255	(347,255)		347,255
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23 - 6/30/24	3,960			3,960	(3,960)		3,960
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23 - 6/30/24	128			128	(128)		128
Total General Fund State Aid				(59,928)		983,915	(1,028,838)	(104,851)	1,459,570
Capital Projects Fund:									
School Development Authority:									
Partial Roof Replacement	24-4650-050-23-R501	7/1/23 - 6/30/24	79,796				(79,796)	(79,796)	79,796
Total Capital Projects Fund							(79,796)	(79,796)	79,796
Enterprise Fund:									
State School Lunch Program	24-100-010-3350-023	7/1/23 - 6/30/24	331			320	(331)	(11)	331
State School Lunch Program	23-100-010-3350-023	7/1/22 - 6/30/23	210	(7)		7			210
Total Enterprise Fund				(7)		327	(331)	(11)	541
Special Revenue Fund Aid:									
Securing our Children's Future Bond Act - Water Bond Act	N/A	7/1/21 - 6/30/23	16,454	(16,454)		16,454			16,454
Climate Awareness Education Grant	23-100-034-5063-359	7/1/22 - 6/30/23	6,660	(6,660)		6,660			6,660
Total Special Revenue Fund				(23,114)		23,114			23,114
Total State Awards Subject to Single Audit Determination				\$ (83,049)	\$ -0-	\$ 1,007,356	\$ (1,108,965)	\$ (184,658)	\$ 1,563,021
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23 - 6/30/24						\$ 95,588	
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23 - 6/30/24						347,255	
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23 - 6/30/24						3,960	
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23 - 6/30/24						128	
Subtotal - On-Behalf TPAF Pension System Contribution								446,931	
Total State Awards Subject to Single Audit Major Program Determination								\$ (662,034)	

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Board of Education, Sandyston-Walpack Consolidated School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. 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 last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,776) for the general fund, and (\$2,316) for the special revenue fund which includes \$-0- related to local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 417,004	\$ 1,018,062	\$ 1,435,066
Special Revenue Fund	262,552		262,552
Capital Projects Fund		79,796	79,796
Food Service Fund	14,524	331	14,855
Total Awards	<u>\$ 694,080</u>	<u>\$ 1,098,189</u>	<u>\$ 1,792,269</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Federal Awards

The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2024 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.

State Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?			
	_____ Yes	_____ X	No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	\$ 237,943	\$ 237,943
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	142,839	142,839
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	14,577	14,577

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

Auditee qualified as low-risk auditee?	_____ Yes	_____ X	No
----------------------------------------	-----------	---------	----

SANDYSTON-WALPACK CONSOLIDATED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

There were no prior audit findings.