

**Comprehensive Annual
Financial Report**

of the

Township of Stafford Board of Education

Manahawkin, New Jersey

For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	9 - 11
-------------------------------------	--------

Required Supplementary Information - Part I Management's Discussion and Analysis	12 - 20
---	---------

Basic Financial Statements

A DISTRICT - WIDE FINANCIAL STATEMENTS

A-1 Statement of Net Position	21
A-2 Statement of Activities	22

B FUND FINANCIAL STATEMENTS

Governmental Funds:

B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	24
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25

Proprietary Funds:

B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	29
B-8 Statement of Changes in Fiduciary Net Position	30

Notes to Financial Statements	31 - 60
--------------------------------------	---------

TABLE OF CONTENTS

Required Supplementary Information - Part II	Page
C Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	61 - 66
C-2 Budgetary Comparison Schedule - Special Revenue Fund	67
 Notes to the Required Supplementary Information	
C-3 Budget - to - GAAP Reconciliation	68
 Required Supplementary Information - Part III	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability (PERS)	69
L-2 Schedule of District Contributions (PERS)	70
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability (TPAF)	71
M-1 Schedule of the District's Proportionate Share of the Net OPEB Liability (PERS and TPAF)	72
 Other Supplementary Information	
D School Level Schedules	N/A
E Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	73 - 76
E-2 Schedule of Preschool Education Aid - Budgetary Basis	77
F Capital Projects Fund:	
F-1 Summary Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	80
F-2 (a-e) Schedule of Project Revenue, Expenditures, Project Balance and Project Status - Budgetary Basis	81 - 83
G Proprietary Funds:	
Enterprise Fund:	
B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	27
B-6 Statement of Cash Flows	28

TABLE OF CONTENTS

Page

H Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Position	84
H-2	Combining Statement of Changes in Fiduciary Net Position	85
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	86
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	87

I Long-Term Debt:

I-1	Schedule of Serial Bonds	88
I-2	Statement of Obligations Under Capital Leases	89
I-3	Debt Service Fund Budgetary Comparison Schedule	90

J STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	91
J-2	Changes in Net Position	92 - 94
J-3	Fund Balances, Governmental Funds	95
J-4	Changes in Fund Balances, Governmental Funds	96
J-5	General Fund Other Local Revenue by Source	97
J-6	Assessed Value and Actual Value of Taxable Property	98
J-7	Direct and Overlapping Property Tax Rates	99
J-8	Principal Property Tax Payers	100
J-9	Property Tax Levies and Collections	101
J-10	Ratios of Outstanding Debt by Type	102
J-11	Ratios of Net General Bonded Debt Outstanding	103
J-12	Direct and Overlapping Governmental Activities Debt	104
J-13	Legal Debt Margin Information	105
J-14	Demographic and Economic Statistics	106
J-15	Principal Employers	107
J-16	Full-time Equivalent District Employees by Function/Program	108
J-17	Operating Statistics	109
J-18	School Building Information	110
J-19	Required Maintenance for School Facilities	111
J-20	Insurance Schedule	112

TABLE OF CONTENTS

Page

K SINGLE AUDIT SECTION

K-1	Independent Auditor's Report - Governmental Auditing Standards	113 - 114
K-2	Independent Auditor's Report - Single Audit in Accordance with the Uniform Guidance and New Jersey OMB Circular 15-08	115 - 116
K-3	Schedule of Expenditures of Federal Awards, Schedule A	117
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	118
K-5	Notes to Schedules of Awards and Financial Assistance	119 - 120
K-6	Schedule of Findings and Questioned Costs	121 - 122
K-7	Summary Schedule of Prior Audit Findings	123

Introductory Section



STAFFORD TOWNSHIP SCHOOL DISTRICT

Administrative Offices
250 North Main Street
Manahawkin, NJ 08050

www.staffordschools.org

George J. Chadic
Superintendent

Lourdes LaGuardia
Business Administrator
Voice: 609.978.5700 x1032
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"BUILDING A BETTER WORLD ONE STUDENT AT A TIME"

December 6, 2019

Honorable President and
Members of the Board of Education
Stafford Township School District
Ocean County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Stafford Township School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual 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 management's discussion and analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

1.) **REPORTING ENTITY AND ITS SERVICES:**

The Stafford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 3. All funds and account groups of the district are included in this report. The Stafford Township Board of Education and all its schools constitute the district's report entity.

The operating district provides a full range of educational services appropriate to grade levels preschool through sixth. Stafford Township is a member of Southern Regional School District for grade levels 7 through 12. Educational services are provided for regular and special education programs for handicapped youngsters.

2.) **ECONOMIC CONDITIONS AND OUTLOOK:**

The Stafford Township School District has five schools and a performing arts theater, for its population of students from pre-school through sixth grade. The community's economic condition appears to have stabilized from the prior year. New growth and development are occurring. The district was impacted by Chapter 67 (S2) and lost state aid in the 18-19 school year. Future estimated state aid reductions over the next five to six years is likely to impact the districts estimated revenues by an overall amount of two million dollars.

3.) **MAJOR INITIATIVES:**

The Stafford Township School District worked toward the goals set by the board of education for the 2018-2019 school year. The budget was cooperatively developed by the staff, administration and board of education.

The district continues to work toward effective differentiation of instruction to provide for the needs of every child. Professional development opportunities for all staff continued and focused to provide for the needs of all students.

Despite the continued lack of state funding, the Stafford Township School District is proud of the achievements it has accomplished in the areas of educational efficiency and effectiveness during the 2018-2019 school year. The hope continues that the state will meet its obligations under the established funding formula.

The Achieve NJ initiative was continued to improve student achievement, the district established a Behavioral Disabilities program in K-2 and enhanced all special education programs. We have made significant progress toward 21st Century Classrooms by providing Google Chrome books for each student in each classroom with full implementation in 2018-2019.

The district continues to make building upgrades and improvements for the safety and security of its occupants. Referendum improvements also continue in areas of HVAC; drainage, bathroom upgrades; and bus depot planned rebuild/renovation.

a) **Oxycocus Elementary School**

For the 2018-19 school year, 178 students attended the Oxycocus School. (We are given \$224,400 in preschool aid for 42 economically disadvantaged students.) The district embarked on a state grant in an effort to provide free preschool to children in our community.

b) **Ronald L. Meinders Primary Learning Center**

The Ronald L. Meinders Primary Learning Center is a kindergarten school for students in the Stafford Township School District. Our school motto is "Imagine, Explore & Discover." The overall goal of the school is to provide a student-centered environment that empowers children to realize and develop their own style of learning. We have 13 kindergarten classes, two developmental kindergarten classes and one self-contained special education class; with a total of 278 students. Special Area integrated instruction includes: STEAM, Music, Physical Education, Art, and Social Skills Experience. A Makerspace room, Zen Den, shake-it-out shack and library/garden lab are also utilized by students. Additional services offered include: speech therapy, early intervention support, enrichment supports, guidance counseling, and resource center assistance.

Technology is available in each classroom with iPads for student use and one interactive whiteboard for instruction, as well as a computer lab. Additionally, teacher, school and district web pages serve as effective tools for communicating calendars of events, special projects, and valuable educational information for all.

c) **Ocean Acres**

The Ocean Acres Elementary School houses our first and second graders with a total enrollment of 520 students. Special Areas included art, music, world language, STEAM and physical education. Additional services that are offered include guidance lessons (whole class, small group and individual), resource center, mindfulness, speech services, occupational therapy and physical therapy. Classroom experiences are authentic, and promote a developmental continuum of literacy, mathematics, science, social studies, creative arts, socialization, and fine/gross/sensory motor skills. Small group instruction and intervention is available to students as needed during the school day. Lessons are creative, student-centered, and extended by our 1:1 technology. The building also utilizes a building-based behavior management model providing students with clear and consistent expectations for behaviors throughout the entire school day.

Annual Audit Transmittal Letter 2019

d) McKinley Avenue School

The McKinley Avenue Elementary provides engaging learning experiences for all of our third and fourth grade students. We are very proud of our literacy program that creatively utilizes authentic literature, trade books, and leveled readers to teach our children essential reading strategies and skills. The development of students' writing skills is enhanced as writing is infused in all content areas. Our mathematics program promotes the use of hands-on lessons and problem-solving activities. Science concepts are actively explored in our

classrooms as well as in our STEAM lab. Our children access the tools needed to boost their technological skills as they use laptop computers, Chromebooks, and iPads on a daily basis. Additional subject areas that are provided for our students include: art, music, physical and health education, world language, technology, and anti-bullying. In addition, the school offers chorus, band, peer mediation, and guidance groups.

Students are provided with opportunities to address their developmental needs and interests. Basic Skills, speech, occupational therapy, physical therapy, and resource room services are available for students who need such assistance. Children who have interests in reading, writing, math, science, technology, or athletic activities may participate in our after-school enrichment programs. During the school day, our Gifted and Talented program addresses the needs of students who have been identified as academically talented in language arts or mathematics.

Parents and community members are encouraged to volunteer and assist classroom teachers. Other opportunities for parents to become involved in their child's school life are arranged as well, including Open House, Back to School Night, classroom visits during American Education Week, Parent Teacher Conferences, the Parent Advisory Committee. At the McKinley Avenue Elementary School a very active PTO conducts numerous events throughout the year, raising funds that benefit the school and sponsor assemblies/programs that enhance our academic and cultural programs.

The McKinley Avenue Elementary School takes great pride in the positive and nurturing environment that characterizes our school. By teaching our students to think and dream, we continue to create life-long learners who will achieve success in any area they pursue.

e) Stafford Intermediate School

The Stafford Intermediate School provides a unique and challenging learning experience for all of our fifth and sixth graders. Our highly qualified teachers differentiate their instruction so each student can maximize their learning potential through a variety of methods and materials. Lessons are creative, student-centered, and extended by our 1:1 technology. Our school community is highly motivated to provide enriching opportunities utilizing current research and practices. Each child truly has an individualized learning experience at the Intermediate School. Our committed staff provides students the opportunity to further their skills and knowledge through our afterschool enrichment program in both the arts and academic areas.

The Stafford Intermediate School focuses on educating the whole child. In order to achieve this goal we provide a multitude of programs for our students. The students of the Intermediate School are granted the opportunity to participate in vocal and instrumental music, computers, art, drama and media. This is accomplished in addition to the students continuing in our health and physical education classes.

Our school family at Intermediate includes parents/guardians and community members. There are ample opportunities for parents and community members to visit and/or volunteer in our school. Some of these programs include: Back to School Night, Parent Advisory Committee, American Education Week, Career Day, DARE Day, Project Aware and Parent Teacher Conferences. Our Home/School Liaison works together with parents, teachers, and administrators to offer informative workshops throughout the school year that will benefit our students. Additionally, our PTO sponsors many activities throughout the school year that helps us to provide opportunities to our students to complement their educational program.

The Intermediate School constantly seeks to provide the best educational program for all students. We are committed to lifelong learning for staff and students alike!

f) Stafford Township Art Center ISTAC)

The Stafford Township Arts Center continues to be used by Stafford students and outside rentals of the facility. The goal is to operate this facility without a loss. That goal was obtained this year, a profit was

Annual Audit Transmittal Letter 2019

made. The Community School Manager continues to work diligently to maximize the use and increase the potential income possibilities of the facility. Maintenance of the facility is continuous, we have replaced the sound board with a new state of the art digital board, we have replaced some of our wireless microphones and increased our body pack microphones to 20. The small size body packs are perfect for our age students.

g) Special Services

The Iguana Cafe at the Stafford Intermediate School allows students the opportunity for life skills. The student run cafe incorporates multi-curricular skills while building community and conversation skills of the students.

Students are afforded opportunities to participate in the least restrictive environment. Child Study Team members along with staff and parents determine the appropriate program to meet the student's needs while considering the educational impact of peer interaction. The district's collaborative philosophy meshes the General Education and Special Education populations.

h) Curriculum & Instruction

The Achieve 3000 program was implemented during the 2015-2016 school year for all students in Grades 3-6. Achieve 3000 is an online program which provides differentiated online literacy instruction for each student at his or her Lexile/reading level. The program delivers differentiated reading and writing assignments- using high-quality, non-fiction content based on each student's reading/interest level - and automatically adapts content via ongoing, real-time Lexile assessment.

The Go Math program was implemented during the 2015-2016 school year for all students in Grades K-6. Go Math presents Common-Core aligned materials and resources to help teachers meet the District Curriculum. The program features both hard copy materials as well as online resources for teachers and students.

The Schoolwide Fundamentals program was implemented during the 2016-2017 school year for all students in Grades K-6. Schoolwide Fundamentals is a comprehensive resource for Language Arts Literacy. The program encompasses tangible books, lesson plans, evaluation tools, and online books for teachers and students.

4.) INTERNAL ACCOUNTING CONTROLS:

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

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

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

5.) BUDGETARY CONTROL:

Written control procedures have been instituted for the business operations of the district, and are monitored to conform to changing GAAP procedures. The finance committee meets monthly to review financial updates, reports and bills for payment. The district administrative team, which includes the Superintendent of Schools, School Business Administrator, School Principals and District Supervisors meet monthly, to review financial records for each department. The Superintendent of Schools and Business Administrator scrutinize each purchase order prior to processing and meet monthly to review the overall financial state of the district to ensure that a need exists to purchase specific goods and services, and that funds are available to pay for these items.

Annual Audit Transmittal Letter 2019

An encumbrance accounting system continues to be used to record outstanding purchase order commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts re-appropriated are reported as reservations of fund balance as June 30, 2019.

6.) ACCOUNTING SYSTEM AND REPORTS:

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

7.) DEBT ADMINISTRATION:

On June 30, 2019, the district's outstanding debt issues are \$11,593,000.00 which will be fully retired during school year 2037-2038.

8.) CASH MANAGEMENT:

Public funds used in the operation of the school district deposited in public depositories are protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the act.

9.) RISK MANAGEMENT:

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

10.) OTHER INFORMATION:

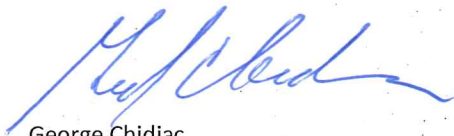
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.C.C., CPAs was selected by the Board of Education to perform the 2018-2019 audit.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11.) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Stafford Township School Board of Education for their concern, cooperation and support.

Also, this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

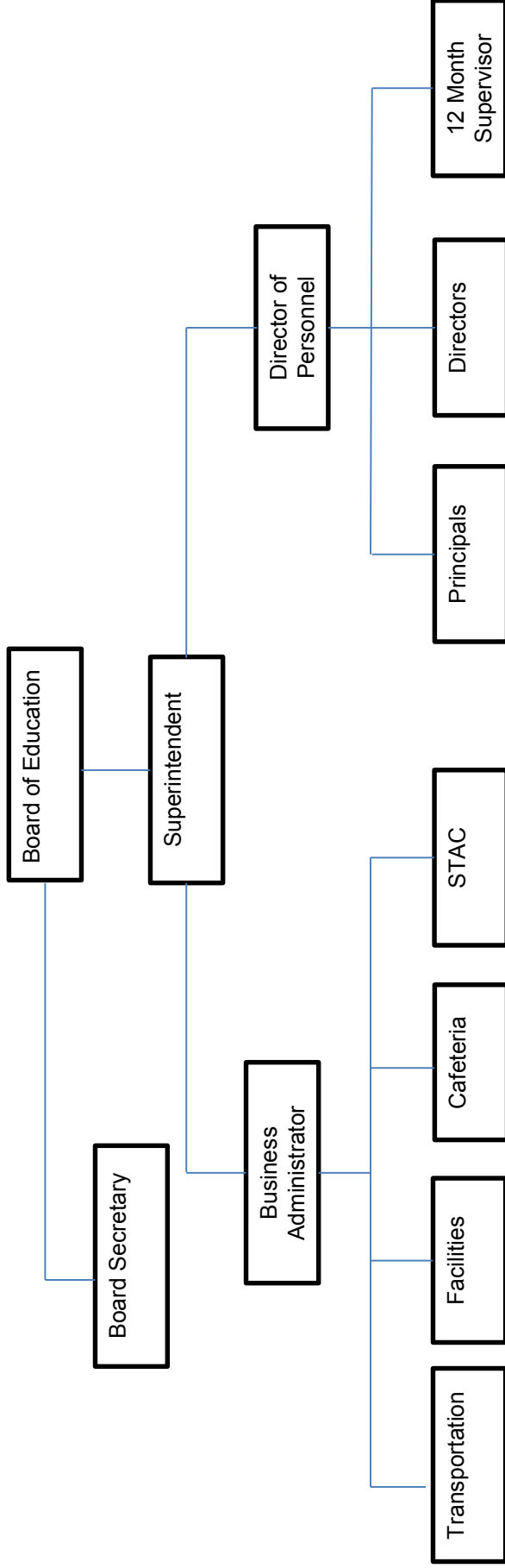


George Chidiac
Superintendent of Schools



Lourdes LaGuardia
School Business Administrator/Board Secretary

Stafford Township Board of Education Organizational Chart



**STAFFORD TOWNSHIP
BOARD OF EDUCATION
MANAHAWKIN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2019**

Members of the Board of Education		Term
Walter Jauch	President	2019
Richard Czajkowski	Vice President	2019
Patricia Formica	Member	2020
Deborah Lyons	Member	2020
Kevin Lyons, Jr.	Member	2021
Joseph Mangino	Member	2019
Brett Novick	Member	2021
Gerald Simonelli	Member	2020
Tammy Wagner	Member	2021

SUPERINTENDENT

George J. Chidiac

BOARD SECRETARY / SCHOOL BUSINESS ADMINISTRATOR

Lourdes LaGuardia

TREASURER OF SCHOOL MONIES

Stephen J Brennan

BOARD ATTORNEY

Ari Schneider, Esq.

**STAFFORD TOWNSHIP
BOARD OF EDUCATION
MANAHAWKIN, NEW JERSEY**

**CONSULTANTS AND ADVISORS
JUNE 30, 2019**

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, New Jersey 08223

OFFICIAL DEPOSITORIES

TD Bank
Shore Community Bank
Wells Fargo Bank
Sun National
Ocean First
Bank of America

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Stafford Township School District
County of Ocean, New Jersey

Report on the Financial Statements

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 Stafford Township School District, in the County of Ocean, New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Stafford Township School District, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stafford Township School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal 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 (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of state financial assistance as required by NJ OMB 15-08 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019 on our consideration of the Stafford Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Stafford Township School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 6, 2019

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Required Supplementary Information – Part I

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The discussion and analysis of Stafford Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2019 are as follows:

- In total, net position increased \$1,353,073.37 which represents a 18% increase from 2018.
- The State of New Jersey reimbursed the District \$1,208,517.89 during the fiscal year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements
- General revenues accounted for \$40,413,902.33 in revenue or 75 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$13,523,871.35 or 25 percent of total revenues of \$53,937,773.68.
- Total assets of governmental activities decreased by \$2,800,108.99 as Cash and Cash Equivalents decreased by \$4,938,839.92 and net capital assets increased by \$2,600,810.45.
- The School District had \$54,167,189.62 in expenses; only \$15,106,360.66 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$40,413,902.33 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$43,766,424.88 in revenues, and \$42,551,957.80 expenditures. The General Fund's fund balance increased \$1,303,939.42 over 2018.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several 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.

Table 1 provides a summary of the School District's net position for 2019 and 2018.

**Table 1
Net Position**

	<u>2019</u>	<u>2018</u>
Assets		
Current and Other Assets	\$ 10,980,923.36	16,383,588.32
Capital Assets	<u>34,880,192.89</u>	<u>32,293,868.83</u>
Total Assets	<u>45,861,116.25</u>	<u>48,677,457.15</u>
Deferred Outflow of Resources		
Deferred outflows related to Pensions	3,559,151.00	4,495,955.00
Loss on Refunding of Long Term Debt	<u>-</u>	<u>-</u>
Total Deferred Outflow of Resources	<u>3,559,151.00</u>	<u>4,495,955.00</u>
Liabilities		
Long-Term Liabilities	32,653,745.44	39,078,739.03
Other Liabilities	<u>2,338,041.35</u>	<u>2,520,722.03</u>
Total Liabilities	<u>34,991,786.79</u>	<u>41,599,461.06</u>
Deferred Inflows of Resources		
Deferred inflows related to Pensions	<u>5,463,595.00</u>	<u>3,962,139.00</u>
Total Deferred Inflows of Resources	5,463,595.00	3,962,139.00
Net Position		
Invested in Capital Assets, Net of Debt	19,967,623.20	14,875,105.94
Restricted	8,603,225.56	12,846,636.13
Unrestricted	<u>(19,605,963.30)</u>	<u>(20,109,929.98)</u>
Total Net Position	\$ <u>8,964,885.46</u>	<u>7,611,812.09</u>

The District's combined net position was \$8,964,885.46 on June 30, 2019. This was an increase of \$1,353,073.37 or 18 percent from the prior year.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year's 2019 and 2018.

**Table 2
Changes in Net Position**

	2019	2018
Revenues		
Program Revenues:		
Charges for Services	\$ 1,403,827.20	\$ 1,926,752.66
Operating Grants and Contributions	13,187,757.46	15,025,357.77
Capital Grants & Contributions	514,776.00	386,244.00
General Revenues:		
Property Taxes	29,755,028.00	29,289,673.00
Grants and Entitlements	9,848,596.55	9,872,849.74
Other	810,277.78	298,126.37
Total Revenues	55,520,262.99	56,799,003.54
 Program Expenses		
Instruction	29,425,539.82	28,729,289.48
Support Services:		
Tuition	216,045.80	255,331.08
Related Services - Pupils and Instructional Staff	9,722,257.63	9,913,348.32
General Administration, School Administration, Central Services and Maintenance of Facilities	2,725,612.63	3,325,328.21
Pupil Transportation	7,167,929.69	7,484,232.30
Capital Outlay	2,899,595.75	3,188,878.45
Cost of Issuance on Long Term Debt	-	46,393.09
Interest on Debt	483,667.21	342,102.88
Business-Type Activities	1,526,541.09	1,994,439.79
Total Expenses	54,167,189.62	55,279,343.60
Increases in Net Position	\$ 1,353,073.37	\$ 1,519,659.94

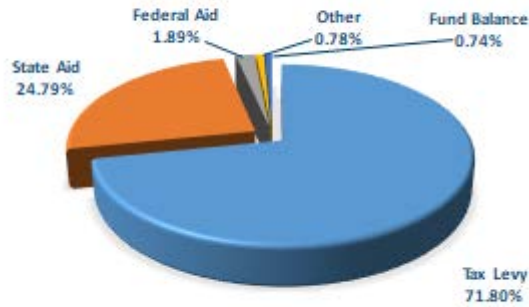
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**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

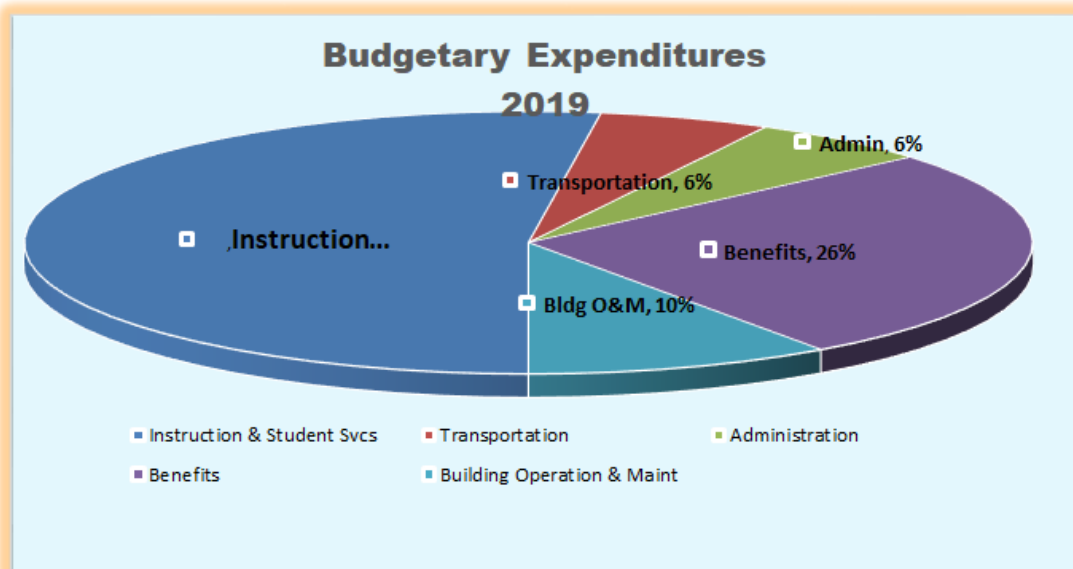
Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 55 percent of revenues for governmental activities for the Stafford Township School District for fiscal year 2019. The District's total revenues were \$53,937,773.67 for the year ended June 30, 2019. Federal, state, and local grants accounted for another 43 percent of revenue.

Sources of Revenues



The total cost of all program and services was \$52,640,648.53, Instruction comprises 55 percent of District expenses, Student Support Services comprises 18 percent of District expenses and Operations Maintenance comprises 14 percent of District expenses.



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**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services and federal and state reimbursements.

- Business-type revenues exceeded expenses by \$55,948.22.
- Charges for business-type activities represent \$1,247,916.20 of revenue. This represents amounts paid by patrons for services.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$334,573.11.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Instruction	\$ 29,425,539.82	\$ 20,235,060.92	\$ 28,729,289.48	\$ 18,782,471.79
Support Services:				
Tuition	216,045.80	216,045.80	255,331.08	255,331.08
Pupils and Instructional Staff	9,722,257.63	6,640,476.82	9,913,348.32	6,349,767.62
General Administration	1,363,693.34	1,287,063.18	1,599,135.28	1,447,676.55
School Administration	1,361,919.29	1,285,388.82	1,726,192.93	1,562,700.20
Central Services	755,981.13	713,500.20	929,296.51	841,280.15
and Maintenance of Facilities	6,411,948.56	6,033,691.76	6,554,935.79	5,908,006.33
Pupil Transportation	2,899,595.75	2,736,658.47	3,188,878.45	2,856,644.10
Issuance on Long Term Debt	483,667.21	(31,108.79)	46,393.09	46,393.09
Interest and Finance Charges	-	-	342,102.88	(44,141.12)
Total Expenses	<u>\$ 52,640,648.53</u>	<u>\$ 39,116,777.18</u>	<u>\$ 53,284,903.81</u>	<u>\$ 38,006,129.79</u>

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

Tuition is predominately made up of charges for private schools for disabled students.

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

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

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

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$48,801,865.68 and expenditures were \$52,017,839.26. The net decrease in fund balance for the year was \$3,215,973.58.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2019 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2018	Percent of Increase (Decrease)
Local Sources	\$ 31,041,495.92	63.61%	\$ 1,330,704.63	4.48%
State Sources	16,801,188.88	34.43%	1,909,729.97	12.82%
Federal Sources	959,180.88	1.97%	19,537.22	2.08%
Total	<u>\$ 48,801,865.68</u>	100.00%	<u>\$ 3,259,971.82</u>	7.16%

Local sources increased by \$1,330,704.63 due an increase in the tax levy. State sources increased by \$1,909,729.97 predominantly due to an increase in the State's contribution for TPAF on-behalf payments.

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2019, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2018	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 16,120,497.21	30.95%	\$ 1,079,141.63	7.17%
Undistributed expenditures	28,485,761.33	54.68%	2,019,654.41	7.63%
Capital Outlay	4,847,737.06	9.31%	(92,629.66)	-1.87%
Debt Service	2,638,843.66	5.07%	19,538.66	0.75%
Total	<u>\$ 52,092,839.26</u>	100.00%	<u>\$ 3,025,705.04</u>	6.17%

Changes in expenditures were the results of varying factors. Instruction increased specifically due to an increase in Special Education Services of \$1,124,296.87. Undistributed expenditures increased due to an increase in Student and Instruction related services by \$136,064.09. The main increase was due to Employee Benefits in the amount of \$1,284,850.42.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Some Salaries were reallocated to or from the lines they were originally budgeted in.
- Some Undistributed Expenses such as Cleaning for Care and Upkeep of Grounds were reallocated to other line items.

Capital Assets

At the end of the fiscal year 2019, the School District had \$34,880,192.89 invested in land, building, furniture and equipment and vehicles. Table 4 shows fiscal year 2019 balances compared to 2018.

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

	<u>2019</u>	<u>2018</u>
Land	\$ 500,000.00	\$ 500,000.00
Construction in Progress	4,827,670.16	4,364,977.38
Building and Building Improvements	27,934,894.86	25,563,313.45
Machinery and Equipment	1,617,627.87	1,865,578.00
Total	<u>\$ 34,880,192.89</u>	<u>\$ 32,293,868.83</u>

Overall capital assets increased \$2,586,324.06 from fiscal year 2018 to fiscal year 2019. The increase in capital assets is due to new construction in progress in 2019. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2019, the School District had \$18,786,263.45 of outstanding debt. Of this amount, \$3,874,100.81 is for compensated absences, \$11,593,000.00 for serial bonds for school construction, and capital leases in the amount of \$3,319,162.64.

**Table 5
Outstanding Debt at June 30,**

	<u>2019</u>	<u>2018</u>
2005 Refunding Issue	\$ -	\$ 700,000.00
2010 Issue	894,000.00	1,309,000.00
2015 Refunding Issue	560,000.00	1,630,000.00
2017 Issue	10,139,000.00	10,139,000.00
Bond Anticipation Note	-	-
Capital Leases	3,319,162.64	3,638,588.14
Compensated Absences	3,874,100.81	3,788,822.14
Total	<u>\$ 18,786,263.45</u>	<u>\$ 21,205,410.28</u>

At December 31, 2019, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED (CONTINUED)**

For the Future

The Stafford Township School District is in good financial condition presently. The School District is proud of its community support of the public schools.

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Lourdes LaGuardia Business Administrator/Board Secretary at Stafford Township School District, 250 North Main Street, Manahawkin, New Jersey 08050-2895.

Please visit our website at www.staffordschools.org.

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Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,567,342.02	863,685.59	10,431,027.61
SREC Investment	76,780.00	-	76,780.00
Receivables, Net	394,071.18	70,112.28	464,183.46
Internal Balances	130,357.91	(130,357.91)	-
Inventory	-	8,932.29	8,932.29
Capital Assets, Not Being Depreciated	5,327,670.16	-	5,327,670.16
Capital Assets, Net of Depreciation	29,500,991.04	51,531.69	29,552,522.73
Total Assets	44,997,212.31	863,903.94	45,861,116.25
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	3,559,151.00	-	3,559,151.00
Total Deferred Outflow of Resources	3,559,151.00	-	3,559,151.00
LIABILITIES			
Accounts Payable	307,737.86	66,836.58	374,574.44
Accrued Interest Payable	157,491.57	-	157,491.57
Deferred Revenue	4,081.73	83,615.55	87,697.28
Noncurrent Liabilities			
Due Within One Year	1,718,278.06	-	1,718,278.06
Due Beyond One Year	17,068,392.44	-	17,068,392.44
Net Pension Liability	15,585,353.00	-	15,585,353.00
Total Liabilities	34,841,334.66	150,452.13	34,991,786.79
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	5,463,595.00	-	5,463,595.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	19,916,091.51	51,531.69	19,967,623.20
Restricted for:			
Capital Projects	7,034,470.79	-	7,034,470.79
Maintenance	888,592.04	-	888,592.04
Other Purposes	680,162.73	-	680,162.73
Unrestricted (Deficit)	(20,267,883.42)	661,920.12	(19,605,963.30)
Total Net Position	\$ 8,251,433.65	713,451.81	8,964,885.46

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2019

Function/Programs	Direct Expenses	Allocated Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 10,457,818.67	7,128,059.57	-	4,372,784.20	-	(13,213,094.04)	-	(13,213,094.04)
Special Education	6,214,241.18	4,235,632.54	155,911.00	4,316,208.58	-	(5,977,754.14)	-	(5,977,754.14)
Other Special Instruction	826,467.12	563,320.74	-	345,575.12	-	(1,044,212.74)	-	(1,044,212.74)
Support Services:								
Tuition	216,045.80	-	-	-	-	(216,045.80)	-	(216,045.80)
Student & Instruction Related Services	5,781,548.69	3,940,708.94	-	3,081,780.81	-	(6,640,476.82)	-	(6,640,476.82)
School Administrative Services	1,020,653.70	341,265.59	-	76,530.47	-	(1,285,388.82)	-	(1,285,388.82)
General Administrative Services	1,021,983.22	341,710.12	-	76,630.16	-	(1,287,063.18)	-	(1,287,063.18)
Central Services	566,549.69	189,431.44	-	42,480.93	-	(713,500.20)	-	(713,500.20)
Plant Operation and Maintenance	4,725,221.37	1,686,727.19	-	378,256.80	-	(6,033,691.76)	-	(6,033,691.76)
Pupil Transportation	2,173,023.88	726,571.87	-	162,937.28	-	(2,736,658.47)	-	(2,736,658.47)
Unallocated Benefits	16,965,705.39	(16,965,705.39)	-	-	-	-	-	-
Unallocated Depreciation	2,187,722.61	(2,187,722.61)	-	-	-	-	-	-
Interest on Long-Term Debt	483,667.21	-	-	-	514,776.00	31,108.79	-	31,108.79
Total Governmental Activities	52,640,648.53	(0.00)	155,911.00	12,853,184.35	514,776.00	(39,116,777.18)	-	(39,116,777.18)
Business-Type Activities:								
Food Service	811,667.57	-	414,199.47	334,573.11	-	-	(62,894.99)	(62,894.99)
Other	714,873.52	-	833,716.73	-	-	-	118,843.21	118,843.21
Total Business-Type Activities	1,526,541.09	-	1,247,916.20	334,573.11	-	-	55,948.22	55,948.22
Total Primary Government	\$ 54,167,189.62	(0.00)	1,403,827.20	13,187,757.46	514,776.00	(39,116,777.18)	55,948.22	(39,060,828.96)

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes, Net	\$ 27,630,961.00
Taxes Levied for Debt Service	2,124,067.00
Federal and State Aid not Restricted	9,848,596.55
Miscellaneous Income	810,277.78
Transfers	75,000.00
Total General Revenues, Special Items, Extraordinary Items and Transfers	40,488,902.33
Change in Net Position	1,372,125.15
Adjustment to Fixed Assets	-
Net Position - Beginning	6,879,308.50
Net Position - Ending	\$ 8,251,433.65

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

FUND FINANCIAL STATEMENTS

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 6,481,414.28	-	3,085,927.72	0.02	9,567,342.02
Due from Other Funds	246,880.66	-		-	246,880.66
Receivables - Other	29,149.20	24,181.98		-	53,331.18
Receivables from Other Governments	340,740.00	-		-	340,740.00
Total Assets	<u>7,098,184.14</u>	<u>24,181.98</u>	<u>3,085,927.72</u>	<u>0.02</u>	<u>10,208,293.86</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	242,691.02	8,037.85		-	250,728.87
Interfund Payable	-	102,050.41	14,472.34	-	116,522.75
Due to State of NJ	-	57,008.99		-	57,008.99
Deferred Revenue		4,081.73		-	4,081.73
Total Liabilities	<u>242,691.02</u>	<u>171,178.98</u>	<u>14,472.34</u>	<u>-</u>	<u>428,342.34</u>
Fund Balances:					
Restricted for:					
Excess Surplus	497,159.73	-		-	497,159.73
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	330,000.00	-		-	330,000.00
Capital Projects			2,389,288.38		2,389,288.38
Committed to:					
Capital Reserve	3,963,015.41	-		-	3,963,015.41
Maintenance Reserve	888,592.04	-		-	888,592.04
Assigned to:					
Encumbrances	190,856.20	-	682,167.00	-	873,023.20
Unassigned Fund Balance	985,869.74	(146,997.00)		0.02	838,872.76
Total Fund Balances	<u>6,855,493.12</u>	<u>(146,997.00)</u>	<u>3,071,455.38</u>	<u>0.02</u>	<u>9,779,951.52</u>
Total Liabilities and Fund Balances	<u>\$ 7,098,184.14</u>	<u>24,181.98</u>	<u>3,085,927.72</u>	<u>0.02</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.
The cost of the assets is \$67,332,421.69 and the accumulated depreciation is \$32,503,760.49.

34,828,661.20

Pension Liabilities Net of Deferred Outflows & Inflows

(17,489,797.00)

Non current investment balances

76,780.00

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

(18,944,162.07)

Net Position of governmental activities

\$ 8,251,433.65

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 27,630,961.00	-	-	2,124,067.00	29,755,028.00
Tuition Charges	155,911.00	-	-	-	155,911.00
Miscellaneous	1,104,585.44	11,499.14	14,472.34	-	1,130,556.92
Total Local Sources	28,891,457.44	11,499.14	14,472.34	2,124,067.00	31,041,495.92
State Sources	14,805,608.89	1,480,803.99	-	514,776.00	16,801,188.88
Federal Sources	69,358.55	889,822.33	-	-	959,180.88
Total Revenues	43,766,424.88	2,382,125.46	14,472.34	2,638,843.00	48,801,865.68
EXPENDITURES					
Current:					
Regular Instruction	9,634,253.41	-	-	-	9,634,253.41
Special Education Instruction	3,882,490.38	1,842,371.61	-	-	5,724,861.99
Other Special Instruction	761,381.81	-	-	-	761,381.81
Support Services:					
Tuition	216,045.80	-	-	-	216,045.80
Student & Instruction Related Serv.	4,661,933.71	664,310.85	-	-	5,326,244.56
School Administrative Services	925,687.94	-	-	-	925,687.94
General Administrative Services	926,893.74	-	-	-	926,893.74
Central Services	513,835.59	-	-	-	513,835.59
Plant Operation and Maintenance	4,575,272.41	-	-	-	4,575,272.41
Pupil Transportation	1,970,836.90	-	-	-	1,970,836.90
Unallocated Employee Benefits	14,030,944.39	-	-	-	14,030,944.39
Debt Service:					
Principal	-	-	-	2,185,000.00	2,185,000.00
Interest and Other Charges	-	-	-	453,843.66	453,843.66
Capital Outlay	452,381.72	-	4,395,355.34	-	4,847,737.06
Total Expenditures	42,551,957.80	2,506,682.46	4,395,355.34	2,638,843.66	52,092,839.26
Excess (Deficiency) of Revenues Over Expenditures	1,214,467.08	(124,557.00)	(4,380,883.00)	(0.66)	(3,290,973.58)
OTHER FINANCING SOURCES (USES)					
Bond Proceeds			-	-	-
Transfer in	89,472.34	-	-	-	89,472.34
Transfer out	-	-	(14,472.34)	-	(14,472.34)
Total Other Financing Sources and Uses	89,472.34	-	(14,472.34)	-	75,000.00
Net Changes in Fund Balance	1,303,939.42	(124,557.00)	(4,395,355.34)	(0.66)	(3,215,973.58)
Fund Balance (Deficit) - July 1	5,551,553.70	(22,440.00)	7,466,810.72	0.68	12,995,925.10
Fund Balance (Deficit) - June 30	\$ 6,855,493.12	(146,997.00)	3,071,455.38	0.02	9,779,951.52

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ (3,215,973.58)
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation expense	\$ (2,187,722.61)	
Loss on Disposal of Fixed Assets	-	
Capital Outlay, Net of Deletions	4,788,533.06	2,600,810.45
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
District pension contributions - PERS	791,272.00	
Cost of benefits earned net of employee contributions	(943,731.00)	(152,459.00)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Bonds Paid		2,185,000.00
Capital Lease Payments		319,425.50
Non-current SREC Investments		(308,780.00)
Amortization of Net Losses on Refunding		1,767.70
Costs of Issuance on Refunding		
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(85,278.67)
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		27,612.75
Change in Net Position of Governmental Activities		\$ 1,372,125.15

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2019

	Business-Type Activities - Enterprise Fund		
	Food Service	STAC	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ -	863,685.59	863,685.59
Accounts Receivable	68,472.66	1,639.62	70,112.28
Inventory	8,932.29	-	8,932.29
Total Current Assets	<u>77,404.95</u>	<u>865,325.21</u>	<u>942,730.16</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	439,273.57	4,486.40	443,759.97
Less: Accumulated Depreciation	<u>(389,985.08)</u>	<u>(2,243.20)</u>	<u>(392,228.28)</u>
Total Noncurrent Assets	<u>49,288.49</u>	<u>2,243.20</u>	<u>51,531.69</u>
Total Assets	<u>126,693.44</u>	<u>867,568.41</u>	<u>994,261.85</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	44,465.66	22,370.92	66,836.58
Interfunds Payable	130,357.91		130,357.91
Deferred Revenue	2,810.41	80,805.14	83,615.55
Total Current Liabilities	<u>177,633.98</u>	<u>103,176.06</u>	<u>280,810.04</u>
NET POSITION			
Invested in Capital Assets Net of Related Debt	49,288.49	2,243.20	51,531.69
Unrestricted (Deficit)	(100,229.03)	762,149.15	661,920.12
Total Net Position	<u>\$ (50,940.54)</u>	<u>764,392.35</u>	<u>713,451.81</u>

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2019

	Business-Type Activities - Enterprise Fund		
	Food Service	STAC	Total
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable	\$ 288,516.24	-	288,516.24
Daily Sales - Non - Reimbursable	125,683.23	-	125,683.23
STAC Gate Receipts	-	52,061.15	52,061.15
STAC Concessions	-	27,549.00	27,549.00
STAC Rental Fees	-	211,177.23	211,177.23
STAC Miscellaneous	-	5,500.00	5,500.00
Tuition - Preschool	-	107,097.00	107,097.00
Tuition - Extended Day	-	430,332.35	430,332.35
Total Operating Revenue	414,199.47	833,716.73	1,247,916.20
Operating Expenses:			
Cost of Sales - reimburseable programs	194,918.61	-	194,918.61
Cost of Sales - non-reimbursable programs	69,385.86	-	69,385.86
Salaries	306,946.62	464,543.26	771,489.88
Employee Benefits	105,513.89	73,224.96	178,738.85
Management & Administration Fee	35,530.00	-	35,530.00
Insurance	11,741.93	-	11,741.93
General Supplies	-	21,207.51	21,207.51
Miscellaneous	71,868.14	155,000.51	226,868.65
Depreciation	15,762.52	897.28	16,659.80
Total Operating Expenses	811,667.57	714,873.52	1,526,541.09
Operating Income (Loss)	(397,468.10)	118,843.21	(278,624.89)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	6,593.32	-	6,593.32
Federal Sources:			
National School Lunch Program	222,246.86	-	222,246.86
Federal Breakfast Program	54,443.00	-	54,443.00
Food Distribution Program	51,289.93	-	51,289.93
Total Nonoperating Revenues (Expenses)	334,573.11	-	334,573.11
Income (Loss) before Contributions & Transfers	(62,894.99)	118,843.21	55,948.22
Contributions & Transfers			
Transfers	-	(75,000.00)	(75,000.00)
Changes in Net Position	(62,894.99)	43,843.21	(19,051.78)
Total Net Position - Beginning	11,954.45	720,549.14	732,503.59
Total Net Position (Deficit) - Ending	\$ (50,940.54)	764,392.35	713,451.81

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2019

	Business-Type Activities - Enterprise Fund		
	Food Service	Other	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 387,068.28	835,279.23	1,222,347.51
Payments for Operations	(816,167.99)	(715,144.35)	(1,531,312.34)
Net Cash Provided by (Used for) Operating Activities	<u>(429,099.71)</u>	<u>120,134.88</u>	<u>(308,964.83)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,707.91	-	6,707.91
Federal Sources	333,498.40	-	333,498.40
Operating Subsidies and Transfers to Other Funds	91,066.81	(75,000.00)	16,066.81
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>431,273.12</u>	<u>(75,000.00)</u>	<u>356,273.12</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Equipment Purchased	(2,173.41)	-	(2,173.41)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,173.41)</u>	<u>-</u>	<u>(2,173.41)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
None	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(0.00)	45,134.88	45,134.88
Balance - Beginning of Year	-	818,550.71	818,550.71
Balance - End of Year	<u>(0.00)</u>	<u>863,685.59</u>	<u>863,685.59</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(397,468.10)	118,843.21	(278,624.89)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	15,762.52	897.28	16,659.80
(Increase) Decrease in Inventories	272.39	-	272.39
(Increase) Decrease in Accounts Receivable	(34,179.41)	2,989.21	(31,190.20)
Increase (Decrease) in Deferred Revenue		(1,426.71)	(1,426.71)
Increase (Decrease) in Interfunds Payable		(18,174.25)	(18,174.25)
Increase (Decrease) in Accounts Payable	(13,487.11)	17,006.14	3,519.03
Total Adjustments	<u>(31,631.61)</u>	<u>1,291.67</u>	<u>(30,339.94)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (429,099.71)</u>	<u>120,134.88</u>	<u>(308,964.83)</u>

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2019

	Unemployment Compensation	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 394,339.08	127,087.07
Interfunds		-
	394,339.08	127,087.07
LIABILITIES		
Accounts Payable	2,536.10	-
Payable to Student Groups	-	81,987.84
Payroll Deductions and Withholdings	-	45,099.23
	2,536.10	127,087.07
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	\$ 391,802.98	

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Unemployment Compensation
ADDITIONS	
Contributions:	
Plan Members	\$ 48,497.78
Board of Education Contribution	-
Total Contributions	48,497.78
Investment Earnings:	
Interest	1,223.99
Less: Investment Expense	
Net Investment Earnings	1,223.99
Total Additions	49,721.77
DEDUCTIONS	
Unemployment Claims	28,919.09
Total Deductions	28,919.09
Changes in Net Position	20,802.68
Net Position - Beginning of the Year	371,000.30
Net Position - End of the Year	\$ 391,802.98

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

Notes to the Financial Statements

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The District 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. The purpose of the district is to educate students in grades K-6. The District operates three elementary schools and one intermediate school located in Manahawkin. Stafford Township is a member of the Southern Regional School District for Grades 7-12. Southern Regional School District is a separate legal entity from the Stafford Township School District. The Stafford Township School District had an enrollment at June 30, 2019 of 2,206 students.

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

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

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net position and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net position and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

The District reports the following governmental funds:

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

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

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

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

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

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

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as Unearned Revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

B. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

Significant transfers approved by the Board of Education during the fiscal year were as follows:

Instruction :	
Regular Programs	\$ (189,514.92)
Learning and/or Language Disabilities	(85,479.40)
Preschool Disabilities - Full -Time	236,152.81
Undistributed Expenditures:	
Instruction	(240,903.27)
Extraordinary Services	233,944.44
Improvement of Instr. Services	(92,901.88)
Support Services - General Admin.	89,323.28
Support Services - School Admin.	74,567.01
Required Maint. for School Facilities	965,923.43
Custodial Services	(247,270.77)
Unallocated Benefits :	
Unallocated Benefits	(280,644.49)

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

D. Encumbrance Accounting

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

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

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

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

For the purpose of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Investments

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

Inter-fund Transactions

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

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

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as unearned revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.00.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. 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 unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as Deferred revenue.

Accrued Liabilities and Long-Term Obligations

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

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

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

- **Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.
- **Restricted** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- **Committed** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.
- **Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

- Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

Revenues – Exchange and Nonexchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, 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, entitlement, and donations is recognized in the period 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 specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the sending districts with a negotiated amount up to the final cost as determined by State of New Jersey.

Tuition Payable

Tuition charges for the fiscal years 2018/19 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Management Estimates

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

F. Recent Accounting Pronouncements Not Yet Effective

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". This statement, which is effective for fiscal periods after June 15, 2018, will not have any effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interest – an amendment of GASB Statement No. 14 and No. 61". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

NOTE 2 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2019, the carrying amount of the District's deposits (cash and cash equivalents) was \$10,952,453.76 and the bank balance was \$11,846,162.36.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

As of June 30, 2019, the District's bank balance was exposed to custodial credit risk as follows:

	Cash and Cash Equivalents
Insured	\$ 250,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name	10,958,641.66
Uninsured	637,520.70
	\$ 11,846,162.36

Bank balances of cash amounted to \$11,846,162.36, as of June 30, 2019, of which \$250,000.00 was FDIC insured. (TD Bank-Ocean First) Bank balances in excess of the insured amounts that are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey were \$10,958,641.66, as of June 30, 2019, \$637,520.70 was uninsured and uncollateralized.

Investments

The District did not have any investments at June 30, 2018.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

NOTE 4 – RECEIVABLES

Receivables at June 30, 2019, consisted of accounts (tuition), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
State and Federal Aid	\$ 317,246.72	\$ 363,969.38
Tuition and Transportation	29,149.20	30,788.82
Other	47,675.26	69,425.26
	<u>394,071.18</u>	<u>464,183.46</u>
Gross Receivables		
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u>\$ 394,071.18</u>	<u>\$ 464,183.46</u>

NOTE 5 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 116,522.75	\$
Special Revenue Fund		102,050.41
Capital Projects Fund		14,472.34
Total	<u>\$ 116,522.75</u>	<u>\$ 116,522.75</u>

NOTE 6 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2019, consisted of the following:

Food & Supplies	\$ 6,121.88
USDA	<u>2,810.41</u>
	<u>\$ 8,932.29</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

NOTE 7 – DEFERRED LOSS ON REFUNDING ISSUES

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt Net Refunding Losses are amortized using the bonds outstanding method over the life of the specific bonds (14 years) for the 2007 Refunding Bonds and (5 years) for the 2015 Refunding Bonds. Amortization expense for the year ended June 30, 2019 was \$1,767.71. The balance of the net deferred losses at June 30, 2019 for all issues is (407.05).

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 500,000.00	\$	\$	\$ 500,000.00
Construction in Progress	4,364,977.38	4,610,628.15	4,147,935.37	4,827,670.16
Total capital assets not being depreciated	<u>4,864,977.38</u>	<u>4,610,628.15</u>	<u>4,147,935.37</u>	<u>5,327,670.16</u>
Capital assets being depreciated:				
Land Improvements	2,115,300.30	36,000.00		2,151,300.30
Buildings and building improvements	49,082,369.49	4,111,935.37		53,194,304.86
Equipment	6,512,649.46	177,904.91	31,408.00	6,659,146.37
Total capital assets being depreciated at historical cost	<u>57,710,319.25</u>	<u>4,325,840.28</u>	<u>31,408.00</u>	<u>62,004,751.53</u>
Less accumulated depreciation for:				
Land Improvements	(719,237.19)	(102,985.04)		(822,222.23)
Buildings and improvements	(24,915,119.15)	(1,673,368.92)		(26,588,488.07)
Equipment	(4,713,089.54)	(411,368.65)	(31,408.00)	(5,093,050.19)
Subtotal accumulated depreciation	<u>(30,347,445.88)</u>	<u>(2,187,722.61)</u>	<u>(31,408.00)</u>	<u>(32,503,760.49)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>27,362,873.37</u>	<u>2,138,117.67</u>	<u>-</u>	<u>29,500,991.04</u>
Governmental activity capital assets, net	<u>32,227,850.75</u>	<u>6,748,745.82</u>	<u>4,147,935.37</u>	<u>34,828,661.20</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	441,586.56	2,173.41		443,759.97
Less accumulated depreciation	(375,568.48)	(16,659.80)		(392,228.28)
Enterprise Fund capital assets, net	<u>66,018.08</u>	<u>(14,486.39)</u>	<u>-</u>	<u>51,531.69</u>
Entity Wide Total	<u>\$ 32,293,868.83</u>	<u>\$ 6,734,259.43</u>	<u>\$ 4,147,935.37</u>	<u>\$ 34,880,192.89</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 694,255.01
Special Instruction	412,539.92
Other Special Instruction	54,866.02
Student & Instruction Related Services	383,815.10
Gen Administration Services	66,706.10
School Administration Services	66,792.99
Plant Operation & Maintenance	37,027.56
Pupil Transportation	329,699.21
Central Services	142,020.70
	<u>\$ 2,187,722.61</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Issues or Additions	Payments or Expenditures	Balance June 30, 2019	Amounts Due Within One Year
Compensated Absences	\$ 3,788,822.14	94,931.73	9,653.06	3,874,100.81	-
Capital Leases	3,638,588.14		319,425.50	3,319,162.64	319,278.06
Net Pension Liability	17,871,154.00	3,559,151.00	5,844,952.00	15,585,353.00	-
Bonds Payable	13,778,000.00		2,185,000.00	11,593,000.00	1,399,000.00
	<u>\$ 39,076,564.28</u>	<u>3,654,082.73</u>	<u>8,359,030.56</u>	<u>34,371,616.45</u>	<u>1,718,278.06</u>

Compensated absences and capital leases will be liquidated in the General Fund. Bonds Payable will be liquidated in the Debt Service Fund.

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 District are general obligation bonds.

Description of Bonds Payable

At June 30, 2019, bonds payable consisted of the following issues:

\$3,654,000 School Bonds dated September 1, 2010, due in annual installments through March 1, 2021, bearing interest at rates of 2.00% through 2.625% per annum. The balance remaining as of June 30, 2019 is \$894,000.

\$2,970,000 Refunding School Bonds dated December 17, 2015, due in annual installments through March 15, 2020, bearing interest at the rate of 4.00% per annum. The balance remaining as of June 30, 2019 is \$560,000.

\$10,139,000 School Bonds dated September 28, 2017, due in annual installments through July 15, 2037, bearing interest at rates of 2.00% through 3.00% per annum. The balance remaining as of June 30, 2019 is \$10,139,000.

Refunding Bonds Issued

On December 17, 2015, the Board of Education issued Refunding Bonds in the amount of \$2,970,000.00 to refund the callable 2006 Refunding Bonds. The Debt retired in the amount of \$3,080,000.00 was replaced with the Refunding Issue. The required cash flow for the 2006 Refunding Bonds for Principal and Interest prior to the refunding was \$3,480,200.00 and the cash flow requirements after the refunding is \$3,324,240.00 resulting in net savings in the amount of \$155,960.00.

Debt service requirements on serial bonds payable at June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,399,000.00	305,432.50	1,704,432.50
2021	884,000.00	264,530.00	1,148,530.00
2022	430,000.00	243,850.00	673,850.00
2023	440,000.00	235,150.00	675,150.00
2024	450,000.00	226,250.00	676,250.00
2025-2038	7,990,000.00	1,732,475.00	9,722,475.00
	<u>\$ 11,593,000.00</u>	<u>3,007,687.50</u>	<u>14,600,687.50</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Capital Leases

The District is leasing under capital leases, Solar equipment totaling \$1,753,908.00, Various Equipment totaling \$2,180,000.00, five 54-Passenger Buses totaling \$526,951.00, and office furniture totaling \$395,000 respectively. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2019:

Fiscal Year Ending June 30,	Payments
2020	\$ 395,625.84
2021	305,212.76
2022	308,967.86
2023	307,320.96
2024	311,324.08
2025-2029	1,608,548.72
2030-2033	573,809.30
Total minimum lease payments	3,810,809.52
Less amount representing interest	491,646.88
Present value of lease payments	\$ 3,319,162.64

NOTE 10 – PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Defined Contribution Retirement Program (DCRP)

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

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District had 73 employees enrolled in the Defined Contribution Retirement Program (DCRP) during fiscal year ended June 30, 2019.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 17.35% and the PERS rate is 14.56% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2019, 2018 and 2017 are listed below, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2019, 2018 and 2017 are also listed below, equal to the required contributions for each year.

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2019	\$ 791,272.00	100%	\$ -
6/30/2018	719,739.44	100%	-
6/30/2017	673,779.00	100%	-

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

During the fiscal years ended June 30, 2019, 2018, and 2017, the State of New Jersey contributed \$3,817,853.00, \$3,318,665.00, and \$2,807,937.00, respectively, to the TPAF for post-retirement Medical benefits and NCGI Premium on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$1,208,517.89, \$1,008,527.87, and \$994,167.99 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Three Year Trend Information for TPAF (Paid on behalf of the District)				
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
6/30/2019	\$ 2,624,684.00	100%	\$ -	
6/30/2018	2,014,864.00	100%	-	
6/30/2017	1,530,306.00	100%	-	

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 11 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2019, the District reported a liability of \$15,585,353.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 employers, actuarially determined. At June 30, 2018, the District's proportion was 0.07915565190%, which was an increase of 3.11% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$939,803.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 297,215.00	80,363.00
Changes of assumptions	2,568,208.00	4,983,367.00
Net difference between projected and actual earnings on pension plan investments		146,191.00
Changes in proportion and differences between District contributions and proportionate share of contributions	693,728.00	253,674.00
District contributions subsequent to the measurement date		
	\$ 3,559,151.00	\$ 5,463,595.00
Total		

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

\$787,343.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 76,842.00
2020	(131,697.00)
2021	(844,701.00)
2022	(756,795.00)
2023	(248,093.00)
Total	<u>\$ (1,904,444.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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 inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on 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. 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 the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

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

The following presents the collective net pension liability of the participated employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the net pension liability	\$ 18,737,537	15,585,353	12,942,461.76

Pension plan fiduciary net position.

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

NOTE 12 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		84,979,197.00
Total	\$	84,979,197.00

The net pension liability was measured as of June 30, 2018 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$4,953,990.00 and revenue of \$4,953,990.00 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,897,098.00	128,540.00
Changes of assumptions	14,765,165.00	21,477,344.00
Net difference between projected and actual earnings on pension plan investments	-	7,739.00
Changes in proportion and differences between District contributions and proportionate share of contributions	11,247,566.00	-
District contributions subsequent to the measurement date		
Total	\$ 27,909,829.00	21,613,623.00

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

\$2,019,229.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 1,974,609.00
2020	3,135,648.00
2021	2,621,841.00
2022	1,470,014.00
2023	1,666,578.00
Thereafter	<u>(4,572,484.00)</u>
Total	<u><u>\$ 6,296,206.00</u></u>

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary increases	
2012-2021	1.55-4.55%
Thereafter	2.00-5.45%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return.</u>
Risk Mitigation Services	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts Venture Capital	8.25%	13.08%

Discount rate. The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.78% as of June 30, 2018, based on 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. 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 the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date 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 net pension liability calculated using the discount rate of 4.86% 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 (3.86%) or 1-percentage point higher (5.86%) than the current rate:

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

	1% Decrease (3.86%)		Current Discount Rate (4.86%)		1% Increase (5.86%)
District's proportionate share of the net pension liability	\$ -	-	-	-	-

Pension plan fiduciary net position.

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

NOTE 13 – OTHER POST-RETIREMENT BENEFITS

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirement. In Fiscal Year 2018, the State paid PRM benefits for 148,401.00 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, and increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate will be based on this index rate that is reported on the last Friday prior to the measurement date.

The discount rates as of June 30, 2016, 2017, and 2018 are 2.58%, 3.58%, and 3.87%, respectively.

Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.8% and decreases to 5.0% long term trend rate after 8 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after 8 years. For prescription drug benefits, the initial trend rate is 8% decreasing to a 5.0% long-term trend rate after 7 years.

Salary Scale: The salary scale assumptions in the calculation of Entry Age Normal (Level Percent) liability and normal costs will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on RP-2006 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

Pre-retirement Healthy Mortality: RP-2006 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2006 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2006 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

Changes in the Total OPEB liability reported by the State of New Jersey:

Balance at 6/30/17	\$ 53,639,841,858.00
Changes for the year:	
Service cost	1,984,642,729.00
Interest	1,970,236,232.00
Differences between Expected & Actual Experiences	(5,002,065,740.00)
Changes in assumptions or other inputs	(5,291,448,855.00)
Contributions: Member	42,614,005.00
Benefit payments	<u>(1,232,987,247.00)</u>
Net changes	<u>(7,529,008,876.00)</u>
Balance at 6/30/18	<u>\$ 46,110,832,982.00</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

Sensitivity of the total OPEB liability to changes in the discount rate:

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

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability (School Retirees)	54,512,391,175.00	46,110,832,982.00	39,432,461,816.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	38,113,289,045.00	46,110,832,982.00	56,687,891,003.00

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$3,811,284.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,476,086,167.00)
Changes of assumptions		(10,335,978,867.00)
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
Total	\$ -	(14,812,065,034.00)

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

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

Year ended June 30,	
2019	\$ (1,825,218,593.00)
2020	(1,825,218,593.00)
2021	(1,825,218,593.00)
2022	(1,825,218,593.00)
2023	(1,825,218,593.00)
Thereafter	<u>(5,685,972,069.00)</u>
Total	<u><u>\$ (14,812,065,034.00)</u></u>

(Contributions made after June 30, 2018 are reported as deferred outflow of resources but are not amortized in the expense.)

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

NOTE 14 – COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation, personal, and sick leave in accordance with the District's personnel policy. 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 as long as it does not violate Title 18A. Upon retirement employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

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, 2019, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 15 – DEFERRED COMPENSATION

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

Equitable
Lincoln
Valic
Aspire

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

NOTE 16 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Stafford Township Board of Education by the inclusion of \$3,000.00 in September 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. There is a total balance of \$3,963,015.41 at June 30, 2019.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. 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 LRFP.

During the fiscal year ended June 30, 2019, the District had no actual interest earnings and deposited and funded \$750.00 in the capital reserve.

NOTE 17 – MAINTENANCE RESERVE ACCOUNT

New Jersey Statute 18A7G-9 permits districts to accumulate funds for the required maintenance of a facility in accordance with the Educational Facilities Construction and Financing Act (EFCFA). The balance may be increased through an appropriation in the annual general fund budget certified for taxes or a resolution of the Board at the June meeting. This reserve may be used at any time during the year, by resolution, to transfer to the required maintenance budget lines for the use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted for use on required maintenance appropriations and may not be transferred to any other line-item account.

The activity of the Maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$	800,000.00
Deposits:		
Mold Remediation Refunds		404,624.62
Unexpended Mold Remediation		33,967.42
Board Approved Resolution 06/13/2019		350,000.00

Withdrawals:		
Utilized in 2018-2019 Budget		700,000.00

Ending balance, June 30, 2019	\$	888,592.04

NOTE 18 – RISK MANAGEMENT

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

Fiscal Year	Interest on Investments	Employee Contributions	Board Contribution	Amount Reimbursed	Ending Balance
2018-2019	\$ 1,223.99	48,497.78	-	(28,919.09)	391,802.98
2017-2018	625.99	42,744.66	30,000.00	(24,251.42)	371,000.30
2016-2017	365.50	40,764.10	85,000.00	(5,765.27)	321,881.07

NOTE 19 – CONTINGENT LIABILITIES

Federal and State Grants

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

NOTE 20 – ECONOMIC DEPENDENCY

The District receives support from federal government and from the state governments through local school districts. A significant reduction in the level of support, if this were to occur, would have an effect on the District's programs and activities.

NOTE 21 – LITIGATION

From time to time, the District is involved in pending litigation or threatened litigation, claims, or assessments relating to its operations as a school district. In the best judgment of the District's management, none of these items are known to have a material effect on the accompanying financial statements.

NOTE 22 – DEFICIT UNRESTRICTED NET POSITION

The School District had a deficit unrestricted net position of \$20,267,883.42 as of June 30, 2019. This deficit was attributable to the allocation of the unpaid liability for compensated absences, the June State Aid Payment and the net Pension Liability.

NOTE 23 - FUND BALANCE APPROPRIATED

General Fund – Of the \$6,855,493.12 General Fund Fund balance at June 30, 2018, \$190,856.20 is reserved for encumbrances, \$827,159.73 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7, \$330,000.00 of the total reserve for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2018; \$3,963,015.41 has been reserved in the Capital Reserve Account, \$888,592.04 has been reserved for in the Maintenance Reserve Account, and \$985,869.74 is classified as Unassigned.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)**

NOTE 24 - CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$497,159.73, of which \$330,000.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2020.

NOTE 25 - DEFICIT FUND BALANCES

The District has a deficit fund balance of \$146,997.00 in the Special Revenue Fund as of June 30, 2018, as reported in the fund statements (modified accrual basis). N.J.S.A.18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment 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 Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District has a deficit in Food Service Fund of \$100,229.03.

NOTE 26 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2019 through December 6, 2019 the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 27,630,961.00	-	27,630,961.00	27,630,961.00	-
Tuition	35,000.00	-	35,000.00	155,911.00	120,911.00
SRECS	-	-	-	471,926.00	471,926.00
Interest Earned on Capital Reserve	500.00	-	500.00	500.00	-
Interest Earned on Maintenance Reserve	250.00	-	250.00	250.00	-
Mold Insurance Reimbursement	-	-	-	404,624.62	404,624.62
Miscellaneous	81,500.00	-	81,500.00	227,284.82	145,784.82
Total Local Sources	<u>27,748,211.00</u>	<u>-</u>	<u>27,748,211.00</u>	<u>28,891,457.44</u>	<u>1,143,246.44</u>
State Sources:					
School Choice Aid	360,252.00	-	360,252.00	360,252.00	-
Categorical Special Education Aid	1,288,981.00	-	1,288,981.00	1,288,981.00	-
Equalization Aid	7,039,555.00	-	7,039,555.00	7,039,555.00	-
Extraordinary Aid	225,000.00	-	225,000.00	327,400.00	102,400.00
Categorical Security Aid	238,635.00	-	238,635.00	238,635.00	-
Categorical Transportation Aid	689,625.00	(182,432.00)	507,193.00	507,193.00	-
Non Public Transportation Aid	-	-	-	13,340.00	13,340.00
TPAF (On-Behalf - Non-Budgeted) :					
Post Retirement Medical Contributions	-	-	-	1,190,552.00	1,190,552.00
Pension Costs	-	-	-	2,624,684.00	2,624,684.00
Long Term Disability	-	-	-	2,617.00	2,617.00
TPAF Social Security (Reimbursed- Non-Budgeted)	-	-	-	1,208,517.89	1,208,517.89
Total State Sources	<u>9,842,048.00</u>	<u>(182,432.00)</u>	<u>9,659,616.00</u>	<u>14,801,726.89</u>	<u>5,142,110.89</u>
Federal Sources:					
SEMI	56,361.00	-	56,361.00	69,358.55	12,997.55
Total Federal Sources	<u>56,361.00</u>	<u>-</u>	<u>56,361.00</u>	<u>69,358.55</u>	<u>12,997.55</u>
Total Revenues	<u>37,646,620.00</u>	<u>(182,432.00)</u>	<u>37,464,188.00</u>	<u>43,762,542.88</u>	<u>6,298,354.88</u>
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Pre School - Salaries of Teachers	-	165,546.00	165,546.00	165,545.50	0.50
Kindergarten- Salaries of Teachers	1,131,012.00	87,569.81	1,218,581.81	1,218,495.69	86.12
Grades 1 - 5 Salaries of Teachers	5,860,809.00	(85,047.76)	5,775,761.24	5,774,211.41	1,549.83
Grades 6 - 8 Salaries of Teachers	1,312,178.00	(24,975.30)	1,287,202.70	1,283,414.65	3,788.05
Regular Programs - Home Instruction Salaries of Teachers	15,000.00	13,948.00	28,948.00	25,877.90	3,070.10
Regular Programs - Undistributed Instruction					
Purchased Professional Educational Services	372,199.97	(61,832.12)	310,367.85	310,367.06	0.79
Purchased Technical Services	10,000.00	-	10,000.00	7,343.93	2,656.07
Other Purchased Services (400-500 series)	431,823.00	(219,681.43)	212,141.57	203,346.39	8,795.18
General Supplies	667,553.53	(19,430.12)	648,123.41	607,364.09	40,759.32
Textbooks	73,150.00	(33,230.00)	39,920.00	28,108.03	11,811.97
Other Objects	27,040.00	(12,382.00)	14,658.00	10,178.76	4,479.24
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>9,900,765.50</u>	<u>(189,514.92)</u>	<u>9,711,250.58</u>	<u>9,634,253.41</u>	<u>76,997.17</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	644,490.00	(68,283.00)	576,207.00	576,107.05	99.95
Other Salaries for Instruction	182,720.00	(11,384.40)	171,335.60	170,053.97	1,281.63
General Supplies	8,750.00	(4,553.00)	4,197.00	4,193.46	3.54
Other Objects	2,100.00	(1,259.00)	841.00	840.20	0.80
Total Learning and/or Language Disabilities	<u>838,060.00</u>	<u>(85,479.40)</u>	<u>752,580.60</u>	<u>751,194.68</u>	<u>1,385.92</u>
Behavior Disabilities					
Salaries of Teachers	113,109.00	9,622.00	122,731.00	122,498.30	232.70
Other Salaries for Instruction	82,595.00	20,311.80	102,906.80	102,085.78	821.02
General Supplies	1,500.00	(1,055.00)	445.00	399.88	45.12
Other Objects	1,500.00	(438.00)	1,062.00	1,060.21	1.79
Total Behavior Disabilities	<u>198,704.00</u>	<u>28,440.80</u>	<u>227,144.80</u>	<u>226,044.17</u>	<u>1,100.63</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Multiple Disabilities					
Salaries of Teachers	246,018.00	15,404.14	261,422.14	260,944.07	478.07
Other Salaries for Instruction	68,495.00	(66,387.00)	2,108.00	2,108.00	-
General Supplies	22,000.00	(17,024.00)	4,976.00	4,974.05	1.95
Other Objects	2,500.00	(357.00)	2,143.00	2,142.25	0.75
Total Multiple Disabilities	339,013.00	(68,363.86)	270,649.14	270,168.37	480.77
Resource Room/Resource Center					
Salaries of Teachers	1,666,805.00	61,208.80	1,728,013.80	1,722,998.65	5,015.15
Other Salaries for Instruction	103,301.00	(22,318.00)	80,983.00	80,387.93	595.07
General Supplies	6,400.00	6,869.00	13,269.00	13,258.41	10.59
Total Resource Room/Resource Center	1,776,506.00	45,759.80	1,822,265.80	1,816,644.99	5,620.81
Autism					
Salaries of Teachers	2,000.00	(2,000.00)	-	-	-
Other Salaries for Instruction	-	-	-	(455.90)	455.90
Total Autism	2,000.00	(2,000.00)	-	(455.90)	455.90
Preschool Disabilities - Full-Time					
Salaries of Teachers	401,760.00	102,774.81	504,534.81	503,699.38	835.43
Other Salaries for Instruction	166,499.00	133,378.00	299,877.00	299,729.00	148.00
General Supplies	1,200.00	-	1,200.00	987.27	212.73
Other Objects	-	-	-	-	-
Total Preschool Disabilities - Full -Time	569,459.00	236,152.81	805,611.81	804,415.65	1,196.16
Home Instruction - Preschool					
Salaries of Teachers	20,000.00	-	20,000.00	12,178.42	7,821.58
Purchased Professional Educational Services	16,000.00	(10,524.00)	5,476.00	2,300.00	3,176.00
Total Home Instruction - Preschool	36,000.00	(10,524.00)	25,476.00	14,478.42	10,997.58
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,759,742.00	143,986.15	3,903,728.15	3,882,490.38	21,237.77
Basic Skills/Remedial - Instruction					
Salaries of Teachers	440,083.00	(37,799.65)	402,283.35	401,860.00	423.35
Other Salaries for Instruction	244,439.00	(10,817.00)	233,622.00	232,882.75	739.25
General Supplies	2,000.00	-	2,000.00	399.97	1,600.03
Total Basic Skills/Remedial - Instruction	686,522.00	(48,616.65)	637,905.35	635,142.72	2,762.63
School-Sponsored Co/Extra-Curr. Activities - Instruction					
Salaries	116,023.00	11,600.00	127,623.00	126,239.09	1,383.91
Total School-Spon. Cocurricular Activities - Inst.	116,023.00	11,600.00	127,623.00	126,239.09	1,383.91
TOTAL INSTRUCTION	14,463,052.50	(82,545.42)	14,380,507.08	14,278,125.60	102,381.48
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to other LEA's within State - Regular	145,200.00	(95,373.28)	49,826.72	42,561.44	7,265.28
Tuition to County Spec. Services & Reg Day	481,682.00	(145,529.99)	336,152.01	173,484.36	162,667.65
Total Undistributed Expenditures - Instruction	626,882.00	(240,903.27)	385,978.73	216,045.80	169,932.93
Undistributed Expend. - Attend. & Social Worker					
Salaries	15,831.00	15,915.56	31,746.56	31,545.76	200.80
Purchased Attendance Services	2,500.00	(2,500.00)	-	-	-
Supplies & Materials	500.00	(500.00)	-	-	-
Workshops/Travel	200.00	(200.00)	-	-	-
Total Undist. Expend. - Attend. & Social Worker	19,031.00	12,715.56	31,746.56	31,545.76	200.80
Undistributed Expend. - Health Services					
Salaries	327,427.00	(37,340.65)	290,086.35	289,414.24	672.11
Purchased Professional and Technical Services	13,800.00	(900.00)	12,900.00	4,498.69	8,401.31
Travel	-	950.00	950.00	125.00	825.00
Other Purchased Services (400-500 series)	1,250.00	(950.00)	300.00	300.00	-
Supplies & Materials	17,820.00	(6,922.00)	10,898.00	10,890.92	7.08
Total Undistributed Expend. - Health Services	360,297.00	(45,162.65)	315,134.35	305,228.85	9,905.50

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	558,846.00	(90,688.65)	468,157.35	466,326.88	1,830.47
Other Salaries	73,945.00	8,512.00	82,457.00	82,457.00	-
Purchased Professional Educational Services	256,000.00	85,606.82	341,606.82	341,605.90	0.92
Supplies & Materials	4,300.00	(703.00)	3,597.00	3,596.58	0.42
Other Objects	-	250.00	250.00	250.00	-
Total Undist. Expend. - Other Support Services Student - Related Services	<u>893,091.00</u>	<u>2,977.17</u>	<u>896,068.17</u>	<u>894,236.36</u>	<u>1,831.81</u>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	1,223,414.00	224,050.44	1,447,464.44	1,439,862.83	7,601.61
Purchased Professional Educational Services	50,000.00	9,894.00	59,894.00	59,477.25	416.75
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	<u>1,273,414.00</u>	<u>233,944.44</u>	<u>1,507,358.44</u>	<u>1,499,340.08</u>	<u>8,018.36</u>
Undist. Expend. Guidance					
Salaries of Other Professional Staff	249,601.00	1,777.00	251,378.00	251,378.00	-
Workshops/Travel	600.00	-	600.00	600.00	-
Supplies & Materials	600.00	295.00	895.00	864.54	30.46
Total Undist. Expend. - Other Support Services Students - Guidance	<u>250,801.00</u>	<u>2,072.00</u>	<u>252,873.00</u>	<u>252,842.54</u>	<u>30.46</u>
Undist. Expend. - Other Support Serv. Child Study Teams					
Salaries of Other Professional Staff	642,236.00	22,693.40	664,929.40	664,929.25	0.15
Salaries of Secretarial and Clerical Assistants	117,154.00	4,310.14	121,464.14	121,463.84	0.30
Other Purchased Professional and Technical Serv	58,500.00	(6,156.00)	52,344.00	47,971.39	4,372.61
Travel	1,650.00	1,570.00	3,220.00	1,398.31	1,821.69
Supplies & Materials	8,900.00	(3,615.00)	5,285.00	5,285.00	-
Total Undist. Expend. - Other Support Services Students - Special - Child Study Teams	<u>828,440.00</u>	<u>18,802.54</u>	<u>847,242.54</u>	<u>841,047.79</u>	<u>6,194.75</u>
Undist. Expend. - Improvement of Instr. Services					
Salaries of Supervisor of Instruction	275,262.00	(67,448.65)	207,813.35	207,812.93	0.42
Salaries of Other Professional Staff	105,409.00	3,632.88	109,041.88	98,803.74	10,238.14
Salaries of Secretarial and Clerical Assistants	33,976.00	4,003.84	37,979.84	37,567.84	412.00
Other Salaries	305,062.00	(30,453.79)	274,608.21	274,607.51	0.70
Salary Facilitators, Math, Literacy Coaches	187,318.00	(1,500.16)	185,817.84	174,570.12	11,247.72
Other Purchased Professional and Technical Serv	1,000.00	-	1,000.00	-	1,000.00
Workshops/Travel	6,650.00	(655.00)	5,995.00	1,847.41	4,147.59
Supplies & Materials	19,700.00	(75.00)	19,625.00	4,528.27	15,096.73
Other Objects	9,000.00	(406.00)	8,594.00	5,680.00	2,914.00
Total Undist. Expend. - Improvement of Inst. Serv.	<u>943,377.00</u>	<u>(92,901.88)</u>	<u>850,475.12</u>	<u>805,417.82</u>	<u>45,057.30</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Purchased Professional and Technical Services	2,700.00	-	2,700.00	2,655.00	45.00
Other Purchased Services (400-500 series)	300.00	-	300.00	270.00	30.00
Supplies & Materials	19,555.00	(3,622.00)	15,933.00	9,308.83	6,624.17
Other Objects	947.00	(13.00)	934.00	424.82	509.18
Media Services - School Library	<u>23,502.00</u>	<u>(3,635.00)</u>	<u>19,867.00</u>	<u>12,658.65</u>	<u>7,208.35</u>
Undist. Expend. - Staff Training					
Purchased Professional Educational Services	55,000.00	(10,233.00)	44,767.00	14,201.98	30,565.02
Other Purchased Services (400-500 series)	5,000.00	269.00	5,269.00	2,575.62	2,693.38
Supplies and Materials	29,800.00	-	29,800.00	2,838.26	26,961.74
Total Undist. Expend. - Staff Training	<u>89,800.00</u>	<u>(9,964.00)</u>	<u>79,836.00</u>	<u>19,615.86</u>	<u>60,220.14</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	476,354.50	62,366.73	538,721.23	538,719.91	1.32
Legal Services	65,000.00	(5,051.00)	59,949.00	45,470.50	14,478.50
Audit Fees	31,000.00	5,950.00	36,950.00	36,450.00	500.00
Architectural and Engineering Fees	42,605.25	2,222.00	44,827.25	33,066.05	11,761.20
Other Purchased Professional Services	21,500.00	(8,841.45)	12,658.55	6,171.00	6,487.55
Purchased Technical Services	14,280.00	1,639.00	15,919.00	15,918.38	0.62
Postage	25,000.00	(4,782.00)	20,218.00	10,061.86	10,156.14
Communications/Telephone	126,750.00	1,908.00	128,658.00	127,740.41	917.59
Travel	-	400.00	400.00	-	400.00
Misc Purchased Services (400-500 series)	46,328.00	20,669.00	66,997.00	63,726.55	3,270.45
General Supplies	16,995.00	(3,831.00)	13,164.00	9,118.84	4,045.16
Judgement Against School District	-	12,528.00	12,528.00	12,526.81	1.19
BOE Memberships and Dues	27,420.00	4,146.00	31,566.00	27,923.43	3,642.57
Total Undistributed Expenditures - Support Services - General Administration	893,232.75	89,323.28	982,556.03	926,893.74	55,662.29
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	476,316.00	19,346.48	495,662.48	495,240.48	422.00
Salaries of Secretarial and Clerical Assistants	399,739.00	9,764.08	409,503.08	404,913.62	4,589.46
Purchased Professional & Tech Services	1,000.00	42,596.45	43,596.45	945.00	42,651.45
Travel	2,500.00	(64.00)	2,436.00	415.06	2,020.94
Supplies & Materials	31,232.30	895.00	32,127.30	18,162.03	13,965.27
Other Objects	5,717.00	2,029.00	7,746.00	6,011.75	1,734.25
Total Undistributed Expenditures - Support Services - School Administration	916,504.30	74,567.01	991,071.31	925,687.94	65,383.37
Undist. Expend. - Central Services					
Salaries	430,904.50	31,367.15	462,271.65	462,240.21	31.44
Purchased Professional Educational Services	23,000.00	74.00	23,074.00	21,149.35	1,924.65
Purchased Technical Services	7,400.00	17,624.12	25,024.12	15,024.12	10,000.00
Misc Purchased Services (400-500 series)	2,583.00	-	2,583.00	2,583.00	-
Supplies and Materials	18,225.00	(2,420.00)	15,805.00	9,227.59	6,577.41
Travel	500.00	650.00	1,150.00	1,101.32	48.68
Membership/Dues	2,290.00	1,200.00	3,490.00	2,510.00	980.00
Total Undistributed Expenditures - Support Services - Central Services	484,902.50	48,495.27	533,397.77	513,835.59	19,562.18
Undist. Expend. - Required Maint. School Fac.					
Salaries	180,939.00	71,806.15	252,745.15	227,624.95	25,120.20
Cleaning, Repair, & Maint Services	155,941.81	882,276.28	1,038,218.09	1,000,033.43	38,184.66
General Supplies	10,000.00	11,841.00	21,841.00	18,566.56	3,274.44
Total Undistributed Expenditures - Required Maintenance for School Facilities	346,880.81	965,923.43	1,312,804.24	1,246,224.94	66,579.30
Undist. Expend. - Custodial Services					
Salaries	1,017,302.00	(6,002.60)	1,011,299.40	1,004,107.07	7,192.33
Salaries - Non-Instructional Aides	183,790.00	15,006.20	198,796.20	198,068.47	727.73
Purchased Professional and Technical Services	34,300.00	19,896.43	54,196.43	54,196.43	-
Cleaning, Repair, & Maint Services	295,633.60	(120,140.70)	175,492.90	170,466.96	5,025.94
Insurance	236,759.00	(137,719.82)	99,039.18	99,039.18	-
Travel/Postage Meter Lease	86,925.00	(34,918.00)	52,007.00	51,973.60	33.40
Water/Sewer Services	100,000.00	5,684.00	105,684.00	100,740.20	4,943.80
General Supplies	143,337.48	46,937.24	190,274.72	181,366.35	8,908.37
Energy (Natural Gas)	288,047.00	(92,159.52)	195,887.48	185,765.66	10,121.82
Facilities Gasoline	7,500.00	3,169.00	10,669.00	8,023.49	2,645.51
Other Objects	13,000.00	(7,800.00)	5,200.00	4,964.75	235.25
Principal - Energy Savings Bond	206,619.00	7,800.00	214,419.00	214,419.59	1.41
Interest - Energy Savings Bond	82,380.00	(2,884.00)	79,496.00	79,495.45	0.55
Energy - (Electricity)	530,000.00	55,861.00	585,861.00	577,139.23	8,721.77
Total Undistributed Expenditures - Custodial Services	3,225,593.08	(247,270.77)	2,978,322.31	2,929,764.43	48,557.88

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	111,261.00	10,229.87	121,490.87	119,360.41	2,130.46
Cleaning Repair & Maintenance Services	43,480.00	(5,320.00)	38,160.00	34,838.75	3,321.25
General Supplies	78,500.00	(42,000.00)	36,500.00	29,685.67	6,814.33
Total Undistributed Expenditures - Care & Upkeep of Grounds	<u>233,241.00</u>	<u>(37,090.13)</u>	<u>196,150.87</u>	<u>183,884.83</u>	<u>12,266.04</u>
Undist. Expend. - Security					
Salaries	194,889.00	11,137.00	206,026.00	206,025.29	0.71
General Supplies	10,650.00	(2,215.00)	8,435.00	8,433.67	1.33
Training	1,000.00	100.00	1,100.00	939.25	160.75
Total Undistributed Expenditures - Security	<u>206,539.00</u>	<u>9,022.00</u>	<u>215,561.00</u>	<u>215,398.21</u>	<u>162.79</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>4,012,253.89</u>	<u>690,584.53</u>	<u>4,702,838.42</u>	<u>4,575,272.41</u>	<u>127,566.01</u>
Undist. Expend. - Student Transportation Serv.					
Salaries - Non Instructional Aides	260,322.00	55,423.30	315,745.30	314,964.99	780.31
Salaries - Drivers/Mechanics	953,411.00	195,748.32	1,149,159.32	1,106,145.99	43,013.33
Other Purchased Prof. and Technical Serv.	18,100.00	(3,265.00)	14,835.00	14,757.94	77.06
Lease Purchase Payments - School Buses	83,379.00	(83,379.00)	-	-	-
Other Purchased Services (400-500 series)	109,577.78	(77,448.00)	32,129.78	28,889.68	3,240.10
Contract Services (Aid-In-Lieu) Choice Students	11,000.00	(1,000.00)	10,000.00	10,000.00	-
Contr Serv (Other Bet. Home & School) - Vendors	5,000.00	-	5,000.00	-	5,000.00
Contr Serv (Bet. Home & School) - Joint Agrmnts	222,525.00	19,918.70	242,443.70	235,859.35	6,584.35
Misc. Purchased Service - Transportation	45,383.00	(10,543.00)	34,840.00	34,681.17	158.83
General Supplies	4,000.00	(3,325.00)	675.00	674.63	0.37
Transportation Supplies	294,266.00	(43,920.00)	250,346.00	222,602.46	27,743.54
Other Objects	3,500.00	(811.24)	2,688.76	2,260.69	428.07
Total Undistributed Expenditures - Student Transportation Services	<u>2,010,463.78</u>	<u>47,399.08</u>	<u>2,057,862.86</u>	<u>1,970,836.90</u>	<u>87,025.96</u>
Unallocated Benefits					
Social Security Contribution	675,000.00	46,074.00	721,074.00	699,706.66	21,367.34
Other Retirement Contributions - PERS	735,000.00	56,272.00	791,272.00	791,272.00	-
Worker's Compensation	284,641.00	(587.00)	284,054.00	284,054.00	-
Health Benefits	7,429,673.00	(386,780.49)	7,042,892.51	6,670,980.20	371,912.31
Other Employee Benefits	475,200.00	4,478.00	479,678.00	478,661.90	1,016.10
Unused Sick Time to terminated /Retired Staff	80,000.00	(101.00)	79,899.00	79,898.74	0.26
Total Unallocated Benefits	<u>9,679,514.00</u>	<u>(280,644.49)</u>	<u>9,398,869.51</u>	<u>9,004,573.50</u>	<u>394,296.01</u>
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)					
Post Retirement Medical Contributions	-	-	-	1,190,552.00	(1,190,552.00)
Pension Costs	-	-	-	2,624,684.00	(2,624,684.00)
Long Term Disability	-	-	-	2,617.00	(2,617.00)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	1,208,517.89	(1,208,517.89)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,026,370.89</u>	<u>(5,026,370.89)</u>
Total Personal Services - Employee Benefits	<u>9,679,514.00</u>	<u>(280,644.49)</u>	<u>9,398,869.51</u>	<u>14,030,944.39</u>	<u>(4,632,074.88)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>23,305,506.22</u>	<u>547,669.59</u>	<u>23,853,175.81</u>	<u>27,821,450.48</u>	<u>(3,968,274.67)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>37,768,558.72</u>	<u>465,124.17</u>	<u>38,233,682.89</u>	<u>42,099,576.08</u>	<u>(3,865,893.19)</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
PreSchool-Kindergarten Equipment	\$ 6,000.00	\$ 2,175.00	\$ 8,175.00	\$ 2,173.41	\$ 6,001.59
Grades 1-5	9,000.00	1,389.00	10,389.00	1,388.59	9,000.41
Grades 6-8	-	6,817.09	6,817.09	6,816.69	0.40
Undistributed Expenditures - Custodial Services	9,731.44	19,490.40	29,221.84	(2,129.16)	31,351.00
Transportation Equipment	2,160.00	-	2,160.00	2,160.00	-
Grounds Equipment	-	2,360.00	2,360.00	2,359.99	0.01
School Buses - Regular	225,170.00	(14,359.08)	210,810.92	122,322.84	88,488.08
Undistributed Expenditures - Non-Inst. Serv. Tech	28,750.00	9,536.00	38,286.00	38,285.36	0.64
Construction Services	219,800.00	-	219,800.00	219,800.00	-
Total Equipment	500,611.44	27,408.41	528,019.85	393,177.72	134,842.13
Facilities Acquisition and Construction Services					
SDA Debt Service Assessment	59,204.00	-	59,204.00	59,204.00	-
Total Facilities Acquisition and Construction Services	59,204.00	-	59,204.00	59,204.00	-
TOTAL CAPITAL OUTLAY	559,815.44	27,408.41	587,223.85	452,381.72	134,842.13
TOTAL EXPENDITURES	38,328,374.16	492,532.58	38,820,906.74	42,551,957.80	(3,731,051.06)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(681,754.16)	(674,964.58)	(1,356,718.74)	1,210,585.08	2,567,303.82
Other Financing Sources:					
Operating Transfers In:					
Capital Project Fund Interest	-	-	-	14,472.34	14,472.34
Enterprise Fund - STAC	75,000.00	-	75,000.00	75,000.00	-
Operating Transfers Out:					
Maintenance Reserve Interest	(250.00)	-	(250.00)	-	250.00
Capital Project Fund Interest	(500.00)	-	(500.00)	-	500.00
Total Other Financing Sources:	74,250.00	-	74,250.00	89,472.34	15,222.34
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(607,504.16)	(674,964.58)	(1,282,468.74)	1,300,057.42	2,582,526.16
Fund Balance July 1	6,491,067.70	-	6,491,067.70	6,491,067.70	-
Fund Balance June 30	\$ 5,883,563.54	(674,964.58)	5,208,598.96	7,791,125.12	2,582,526.16
Recapitulation:					
Restricted Fund Balance:					
Reserve for Excess Surplus				\$ 497,159.73	
Excess Surplus - Designated for Subsequent Year's Expenditures				330,000.00	
Committed Fund Balance:					
Capital Reserve				3,963,015.41	
Maintenance Reserve				888,592.04	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				1,055,250.00	
Reserve for Encumbrances				190,856.20	
Unassigned Fund Balance				866,251.74	
				<u>7,791,125.12</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				935,632.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,855,493.12</u>	

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 383,051.00	1,255,126.00	1,638,177.00	1,605,360.99	(32,816.01)
Federal Sources	728,638.00	163,884.33	892,522.33	889,822.33	(2,700.00)
Local Sources		15,580.87	15,580.87	11,499.14	(4,081.73)
Total Revenues	<u>1,111,689.00</u>	<u>1,434,591.20</u>	<u>2,546,280.20</u>	<u>2,506,682.46</u>	<u>(39,597.74)</u>
EXPENDITURES:					
Instruction:					
Teachers Salaries	157,500.00	510,762.70	668,262.70	668,262.70	-
Other Salaries for Instruction	-	292,915.95	292,915.95	292,915.95	-
Preschool Director	-	63,498.40	63,498.40	63,498.40	-
Salaries of Other Professional Staff	-	118,449.00	118,449.00	118,449.00	-
Purchased Professional - Educational Services	145,000.00	163,228.60	308,228.60	308,228.60	-
Purchased Professional - Technical Services	61,825.00	(4,255.00)	57,570.00	57,570.00	-
Other Purchased Services (400-500 series)	150,000.00	38,947.90	188,947.90	188,947.90	-
Textbooks	9,685.00	(1,355.00)	8,330.00	6,619.08	1,710.92
Supplies	120,933.00	21,269.44	142,202.44	137,879.98	4,322.46
Other Objects					
Total Instruction	<u>644,943.00</u>	<u>1,203,461.99</u>	<u>1,848,404.99</u>	<u>1,842,371.61</u>	<u>6,033.38</u>
Support Services:					
Other Support Services - Employee Benefits	30,000.00	286,567.00	316,567.00	316,567.00	-
Purchased Professional - Technical Services	396,735.00	(275,591.19)	121,143.81	118,443.81	2,700.00
Other Salaries	-	46,817.91	46,817.91	46,817.91	-
Master Teachers Salaries	-	72,107.00	72,107.00	72,107.00	-
Salaries of Secretarial and Clerical Assistants	-	47,344.32	47,344.32	47,344.32	-
Supplies & Materials	40,011.00	53,134.17	93,145.17	62,280.81	30,864.36
Other Objects	-	750.00	750.00	750.00	-
Total Support Services	<u>466,746.00</u>	<u>231,129.21</u>	<u>697,875.21</u>	<u>664,310.85</u>	<u>33,564.36</u>
Total Outflows	<u>1,111,689.00</u>	<u>1,434,591.20</u>	<u>2,546,280.20</u>	<u>2,506,682.46</u>	<u>39,597.74</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the Required Supplementary Information

STAFFORD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Year Ended June 30, 2019

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 43,762,542.88	[C-2]	2,506,682.46
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		
The Final State Aid payment for the Year Ended June 30, 2017 that was delayed until July 2018 was recorded as budgetary revenue for the Year Ended June 30, 2018 but is not recognized under GAAP until the Year Ended June 30, 2019.		939,514.00		22,440.00
The Final State Aid payment for the Year Ended June 30, 2019 that was delayed until July 2019 was recorded as budgetary revenue for the Year Ended June 30, 2019 but is not recognized under GAAP until the Year Ended June 30, 2020.		(935,632.00)		(146,997.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	43,766,424.88	[B-2]	2,382,125.46
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	42,551,957.80	[C-2]	2,506,682.46
Difference - 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 GAAP financial reporting purposes.		-		-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 42,551,957.80	[B-2]	2,506,682.46

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Required Supplementary Information – Part III

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.0791556519%	0.0767713968%	0.0754745362%	0.0769637690%	0.0789884028%	0.0773050816%
District's proportionate of the net pension liability (asset)	\$ 15,585,353.00	17,871,154.00	22,353,393.00	17,276,824.00	14,788,789.00	14,774,537.00
District's covered payroll	\$ 5,240,895.00	5,469,043.00	5,363,015.00	4,984,846.00	5,211,837.00	5,981,745.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	297.38%	326.77%	416.81%	346.59%	283.75%	246.99%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 787,343.00	711,205.00	670,505.00	661,682.00	651,169.00	582,478.00
Contributions in relation to the contractually required contribution	<u>787,343.00</u>	<u>711,205.00</u>	<u>670,505.00</u>	<u>661,682.00</u>	<u>651,169.00</u>	<u>582,478.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,240,895.00	5,469,043.00	5,363,015.00	4,984,846.00	5,211,837.00	5,981,745.00
Contributions as a percentage of covered-employee payroll	15.02%	13.00%	12.50%	13.27%	12.49%	9.74%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>84,979,197.00</u>	<u>82,231,908.00</u>	<u>111,749,967.00</u>	<u>93,595,259.00</u>	<u>75,841,044.00</u>	<u>70,466,068.00</u>
Total	<u>\$ 84,979,197.00</u>	<u>82,231,908.00</u>	<u>111,749,967.00</u>	<u>93,595,259.00</u>	<u>75,841,044.00</u>	<u>70,466,068.00</u>
District's covered payroll	\$ 13,909,683.00	\$ 13,592,279.00	\$ 13,661,414.00	\$ 13,948,136.00	\$ 13,959,085.00	\$ 14,459,729.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 81,620,477.00</u>	<u>\$ 95,643,261.00</u>	<u>102,932,448.00</u>
Total	<u>\$ 81,620,477.00</u>	<u>\$ 95,643,261.00</u>	<u>102,932,448.00</u>
District's covered payroll	19,150,578.00	19,061,322.00	19,024,429.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:			
Service Cost	3,619,253.00	4,340,017.00	
Interest Cost	3,516,213.00	3,027,073.00	
Differences between Expected & Actual	(9,684,821.00)	-	
Changes in Assumptopns	(9,366,358.00)	(12,522,549.00)	
Member Contributions	75,431.00	81,573.00	
Benefit Payments	(2,182,502.00)	(2,215,301.00)	
Change in Total Opeb Liability	<u>(14,022,784.00)</u>	<u>(7,289,187.00)</u>	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>95,643,261.00</u>	<u>102,932,448.00</u>	
Ending Balance	<u>\$ 81,620,477.00</u>	<u>\$ 95,643,261.00</u>	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	426.20%	501.77%	

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period. However, information is only currently available for three years. Additional years will be presented as they become available.

Other Supplementary Information

**SPECIAL REVENUE FUND DETAIL
STATEMENTS**

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Title I	IDEA	IDEA Preschool	Title IIA	Title IV	Title III
REVENUES:						
State Sources	\$ 235,184.00	540,552.79	41,129.00	57,142.54	14,135.00	1,679.00
Federal Sources						
Local Sources						
Total Revenues	<u>235,184.00</u>	<u>540,552.79</u>	<u>41,129.00</u>	<u>57,142.54</u>	<u>14,135.00</u>	<u>1,679.00</u>
EXPENDITURES:						
Instruction:						
Teachers Salaries	157,500.00					
Other Salaries for Instruction						
Preschool Director						
Salaries of Other Professional Staff					1,400.00	
Purchased Professional - Educational Services		281,828.60	25,000.00			
Purchased Professional - Technical Services		186,947.90			2,000.00	
Other Purchased Services (400-500 series)						
Textbooks						
Supplies	28,859.00	39,112.40	16,129.00			1,679.00
Total Instruction	<u>186,359.00</u>	<u>507,888.90</u>	<u>41,129.00</u>	<u>-</u>	<u>3,400.00</u>	<u>1,679.00</u>
Support Services:						
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Master Teachers Salaries	48,825.00					
Other Support Services - Employee Benefits		32,650.81		15,803.00		
Purchased Professional - Technical Services		13.08		41,339.54	10,735.00	
Supplies & Materials						
Other Objects						
Total Support Services	<u>48,825.00</u>	<u>32,663.89</u>	<u>-</u>	<u>57,142.54</u>	<u>10,735.00</u>	<u>-</u>
Total Outflows	<u>235,184.00</u>	<u>540,552.79</u>	<u>41,129.00</u>	<u>57,142.54</u>	<u>14,135.00</u>	<u>1,679.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Non Public					
	Preschool Expansion Aid	Nursing	Corrective Speech	Technology Aid	Security Aid	Examination & Classification
REVENUES:						
State Sources	1,245,471.00	15,132.00	17,856.00	1,294.40	2,016.51	33,303.00
Federal Sources						
Local Sources						
Total Revenues	<u>1,245,471.00</u>	<u>15,132.00</u>	<u>17,856.00</u>	<u>1,294.40</u>	<u>2,016.51</u>	<u>33,303.00</u>
EXPENDITURES:						
Instruction:						
Teachers Salaries	510,762.70					
Other Salaries for Instruction	68,515.95					
Preschool Director	63,498.40					
Salaries of Other Professional Staff	118,449.00					
Purchased Professional - Educational Services		15,132.00	17,856.00			
Purchased Professional - Technical Services						
Other Purchased Services (400-500 series)						
Textbooks				1,294.40		
Supplies	45,507.04					
Total Instruction	<u>806,733.09</u>	<u>15,132.00</u>	<u>17,856.00</u>	<u>1,294.40</u>	<u>-</u>	<u>-</u>
Support Services:						
Salaries of Secretarial and Clerical Assistants	47,344.32					
Other Salaries	46,817.91					
Master Teachers Salaries	72,107.00					
Other Support Services - Employee Benefits	267,742.00					
Purchased Professional - Technical Services					2,016.51	33,303.00
Supplies & Materials	4,726.68					
Other Objects						
Total Support Services	<u>438,737.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,016.51</u>	<u>33,303.00</u>
Total Outflows	<u>1,245,471.00</u>	<u>15,132.00</u>	<u>17,856.00</u>	<u>1,294.40</u>	<u>2,016.51</u>	<u>33,303.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019

	Non Public				
	193	192			
	Supplemental Instruction	Compensatory Education	Textbooks	Preschool Education Aid	
				Project Team Training	
				Lowes Toolbox	
REVENUES:					
State Sources	24,582.00	34,687.00	6,619.08	224,400.00	5,700.00
Federal Sources					
Local Sources					5,299.14
Total Revenues	24,582.00	34,687.00	6,619.08	224,400.00	5,700.00
EXPENDITURES:					
Instruction:					
Teachers Salaries					
Other Salaries for Instruction				224,400.00	
Preschool Director					
Salaries of Other Professional Staff					
Purchased Professional - Educational Services					
Purchased Professional - Technical Services	24,582.00				
Other Purchased Services (400-500 series)			6,619.08		
Textbooks					
Supplies					5,299.14
Total Instruction	24,582.00	-	6,619.08	224,400.00	-
Support Services:					
Salaries of Secretarial and Clerical Assistants					
Other Salaries					
Master Teachers Salaries					
Other Support Services - Employee Benefits		34,687.00			2,000.00
Purchased Professional - Technical Services					2,950.00
Supplies & Materials					750.00
Other Objects					
Total Support Services	-	34,687.00	-	-	5,700.00
Total Outflows	24,582.00	34,687.00	6,619.08	224,400.00	5,700.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund**

**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019**

	<u>EDCAMP</u>	<u>Totals</u>
REVENUES:		
State Sources		1,605,360.99
Federal Sources		889,822.33
Local Sources	500.00	11,499.14
	<u>500.00</u>	<u>2,506,682.46</u>
Total Revenues		
EXPENDITURES:		
Instruction:		
Teachers Salaries		668,262.70
Other Salaries for Instruction		292,915.95
Preschool Director		63,498.40
Salaries of Other Professional Staff		118,449.00
Purchased Professional - Educational Services		308,228.60
Purchased Professional - Technical Services		57,570.00
Other Purchased Services (400-500 series)		188,947.90
Textbooks		6,619.08
Supplies		137,879.98
	<u>-</u>	<u>1,842,371.61</u>
Total Instruction		
Support Services:		
Salaries of Secretarial and Clerical Assistants		47,344.32
Other Salaries		46,817.91
Master Teachers Salaries		72,107.00
Other Support Services - Employee Benefits		316,567.00
Purchased Professional - Technical Services		118,443.81
Supplies & Materials	500.00	62,280.81
Other Objects		750.00
	<u>500.00</u>	<u>664,310.85</u>
Total Support Services		
Total Outflows	<u>500.00</u>	<u>2,506,682.46</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2019**

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Other Salaries for Instruction	\$ 224,400.00	224,400.00	-
Total Instruction	<u>224,400.00</u>	<u>224,400.00</u>	<u>-</u>
Total Expenditures	\$ <u>224,400.00</u>	<u>224,400.00</u>	<u>-</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2018-19 Preschool Education Aid Allocation	\$ 224,400.00
Add: Actual Carryover June 30, 2018	<u>-</u>
	224,400.00
 Add: Budgeted Transfer from the General Fund	 -
Total Preschool Education Aid Funds Available for 2018/2019 Budget	<u>224,400.00</u>
Less: 2018/2019 Budgeted Preschool Education Aid - Prior Year Budget Carryover Available & Unbudgeted Preschool Education Aid Funds, June 30, 2019	<u>(224,400.00)</u>
	-
Add: June 30, 2019 Unexpended Preschool Education Aid	-
2018-2019 Carryover - Preschool Education Aid	\$ <u><u>-</u></u>
2018-19 Preschool Education Carryover Budgeted for Preschool Programs 2019-2020	\$ <u><u>-</u></u>

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CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2019

Revenues and Other Financing Sources	
None	\$ -
	<hr/>
Total Revenues	<hr/> <u>-</u>
Expenditures and Other Financing Uses	
Purchased Professional and Technical Services	(14,716.09)
Construction Services	798,928.48
	<hr/>
Total Expenditures	<hr/> <u>784,212.39</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(784,212.39)
Fund Balance - Beginning	<hr/> <u>3,173,500.77</u>
Fund Balance Ending	\$ <u><u>2,389,288.38</u></u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
McKinley Renovations
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer between Projects	\$ -	(40,000.00)	(40,000.00)	(40,000.00)
Transfer From Capital Reserve	486,117.32		486,117.32	486,117.32
Total Revenues	<u>486,117.32</u>	<u>(40,000.00)</u>	<u>446,117.32</u>	<u>446,117.32</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	31,275.00	-	31,275.00	31,275.00
Construction Services	214,121.42	-	214,121.42	414,842.32
Total Expenditures	<u>245,396.42</u>	<u>-</u>	<u>245,396.42</u>	<u>446,117.32</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 240,720.90</u>	<u>(40,000.00)</u>	<u>200,720.90</u>	<u>-</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	-			
Original Authorized Costs	494,117.32			
Revised Authorized Cost	446,117.32			
Percentage Increase over Original Authorized Cost	-9.71%			
Percentage Completion	100.00%			
Original Target Completion Date	2015			
Revised Target Completion Date	2019			

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Bus Garage Construction
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds			-	
Transfer From Capital Reserve	\$ 354,000.00		354,000.00	354,000.00
Total Revenues	<u>354,000.00</u>	<u>-</u>	<u>354,000.00</u>	<u>354,000.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	68,286.84	(14,716.25)	53,570.59	71,500.00
Construction Services			-	282,500.00
Total Expenditures	<u>68,286.84</u>	<u>(14,716.25)</u>	<u>53,570.59</u>	<u>354,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 285,713.16</u>	<u>14,716.25</u>	<u>300,429.41</u>	<u>-</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	354,000.00			
Revised Authorized Cost	354,000.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	15%			
Original Target Completion Date	2018			
Revised Target Completion Date	2019			

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Installation of Energy Saving Equipment
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
ESIP Lease Proceeds	\$ 4,268,057.20		4,268,057.20	4,268,057.20
Transfer From Capital Reserve	124,384.00		124,384.00	124,384.00
Total Revenues	<u>4,392,441.20</u>	<u>-</u>	<u>4,392,441.20</u>	<u>4,392,441.20</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	216,182.20		216,182.20	216,182.20
Construction Services	4,176,259.00	-	4,176,259.00	4,176,259.00
Total Expenditures	<u>4,392,441.20</u>	<u>-</u>	<u>4,392,441.20</u>	<u>4,392,441.20</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Costs	1,903,087.50
Revised Authorized Cost	4,392,441.20
Percentage Increase over Original Authorized Cost	131%
Percentage Completion	100%
Original Target Completion Date	2015
Revised Target Completion Date	2018

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Renovations, Alterations and Improvements at McKinley Avenue Elementary School, Oxycocus Elementary School, Stafford Intermediate School & Ronald L. Meinders Primary Learning Center
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 10,139,398.00	-	10,139,398.00	10,139,398.00
Total Revenues	<u>10,139,398.00</u>	<u>-</u>	<u>10,139,398.00</u>	<u>10,139,398.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	55,326.93	0.16	55,327.09	331,139.29
Construction Services	7,437,004.36	762,928.48	8,199,932.84	9,808,258.71
Total Expenditures	<u>7,492,331.29</u>	<u>762,928.64</u>	<u>8,255,259.93</u>	<u>10,139,398.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,647,066.71</u>	<u>(762,928.64)</u>	<u>1,884,138.07</u>	<u>-</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	12/13/2016			
Bonds Authorized	10,139,398			
Bonds Issued	10,139,398			
Original Authorized Costs	10,139,398			
Revised Authorized Cost	10,139,398			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	81%			
Original Target Completion Date	2018			
Revised Target Completion Date	2019			

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Intermediate School Field Project
From Inception and for the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer between Projects	\$	40,000.00	40,000.00	40,000.00
Total Revenues	-	40,000.00	40,000.00	40,000.00
Expenditures and Other Financing Uses				
Construction Services		36,000.00	36,000.00	40,000.00
Total Expenditures	-	36,000.00	36,000.00	40,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	4,000.00	4,000.00	-

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Costs	40,000.00
Revised Authorized Cost	40,000.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	2019
Revised Target Completion Date	2019

PROPRIETARY FUND DETAIL STATEMENTS

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

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

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

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

Payroll Fund - This agency fund is used to account for the payroll transactions of the school district.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2019

	Unemployment Compensation Trust	Agency Funds	Totals
ASSETS			
Cash and Cash Equivalents	\$ 394,339.08	127,087.07	521,426.15
Interfunds	-	-	-
Total Assets	<u>394,339.08</u>	<u>127,087.07</u>	<u>521,426.15</u>
LIABILITIES			
Accounts Payable	2,536.10	-	2,536.10
Payable to Student Groups	-	81,987.84	81,987.84
Payroll Deductions & Withholdings	-	45,099.23	45,099.23
Total Liabilities	<u>2,536.10</u>	<u>127,087.07</u>	<u>129,623.17</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	\$ <u><u>391,802.98</u></u>		391,802.98
Total Net Position			<u>391,802.98</u>
Total Liabilities and Net Position			<u><u>521,426.15</u></u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Unemployment Compensation Trust	Totals
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Plan Members	\$ 48,497.78	48,497.78
Board of Education Contribution	-	-
Total Contributions	<u>48,497.78</u>	<u>48,497.78</u>
Investments Earnings:		
Interest	1,223.99	1,223.99
Net Investment Earnings	<u>1,223.99</u>	<u>1,223.99</u>
Total Additions	<u>49,721.77</u>	<u>49,721.77</u>
Deductions		
Unemployment Claims	28,919.09	28,919.09
Total Deductions	<u>28,919.09</u>	<u>28,919.09</u>
Change in Net Position	20,802.68	20,802.68
Net Position - Beginning of the Year	<u>371,000.30</u>	<u>371,000.30</u>
Net Position - End of the Year	<u>\$ 391,802.98</u>	<u>391,802.98</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Oxycocus	\$ 4,144.91	12.82	570.00	3,587.73
McKinley	12,325.79	25,786.44	23,624.12	14,488.11
PLC	9,351.80	9,364.92	13,013.31	5,703.41
Ocean Acres	17,845.69	12,575.24	9,164.34	21,256.59
Intermediate School	31,470.47	22,718.48	17,236.95	36,952.00
Total Assets	\$ <u>75,138.66</u>	<u>70,457.90</u>	<u>63,608.72</u>	<u>81,987.84</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS:				
Cash and Cash Equivalents	\$ 61,368.31	29,205,264.55	29,221,533.63	45,099.23
Interfunds	181,285.48	-	181,285.48	-
Total Assets	<u>242,653.79</u>	<u>29,205,264.55</u>	<u>29,402,819.11</u>	<u>45,099.23</u>
LIABILITIES:				
Payroll Deductions & Withholding	61,057.05	12,369,138.22	12,385,735.13	44,460.14
Net Pay	181,596.74	16,836,126.33	17,017,083.98	639.09
Total Liabilities	<u>242,653.79</u>	<u>29,205,264.55</u>	<u>29,402,819.11</u>	<u>45,099.23</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2019

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding As of June 30, 2019				Balance July 1, 2018	Issued	Decreased	Balance June 30, 2019
			Date	Amount	Interest Rate	Balance				
Refunding School Bonds	7/28/2005	\$ 6,580,000	N/A	-	0.000%	\$ 700,000.00	-	700,000.00	-	
Refunding School Bonds	11/17/2015	2,970,000	3/15/2020	560,000	4.000%	1,630,000.00	-	1,070,000.00	560,000.00	
School Bonds	9/1/2010	3,654,000	3/1/2020 3/1/2021	430,000 464,000	2.375% 2.625%	1,309,000.00	-	415,000.00	894,000.00	
School Bonds	9/28/2017	10,139,000	7/15/2019 7/15/2020 7/15/2021 7/15/2022 7/15/2023 7/15/2024 7/15/2025 7/15/2026 7/15/2027 7/15/2028 7/15/2029 7/15/2030 7/15/2031 7/15/2032 7/15/2033 7/15/2034 7/15/2035 7/15/2036 7/15/2037	409,000 420,000 430,000 440,000 450,000 460,000 475,000 485,000 500,000 520,000 535,000 550,000 570,000 590,000 610,000 635,000 660,000 685,000 715,000	2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.000% 2.250% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000%	10,139,000.00	-	-	10,139,000.00	
						\$ 13,778,000.00	\$ -	2,185,000.00	11,593,000.00	

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2019

Description	Amount of Original Issue	Balance July 1, 2018	Issued Current Year	Retired Current Year	Balance June 30, 2019
ESIP Equipment #1	\$ 1,753,908	\$ 1,359,435.57	-	106,912.80	1,252,522.77
ESIP Equipment #3	2,180,000	2,069,140.66	-	107,504.79	1,961,635.87
Office Furniture	395,000	210,011.91	-	105,007.91	105,004.00
	\$	<u>3,638,588.14</u>	<u>-</u>	<u>319,425.50</u>	<u>3,319,162.64</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,124,067.00	-	2,124,067.00	2,124,067.00	-
State Sources:					
Debt Service Aid Type II	514,776.00	-	514,776.00	514,776.00	-
Total - State Sources	514,776.00	-	514,776.00	514,776.00	-
Total Revenues	2,638,843.00	-	2,638,843.00	2,638,843.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	453,844.00	-	453,844.00	453,843.66	0.34
Redemption of Principal	2,185,000.00	-	2,185,000.00	2,185,000.00	-
Total Regular Debt Service	2,638,844.00	-	2,638,844.00	2,638,843.66	0.34
Total Expenditures	2,638,844.00	-	2,638,844.00	2,638,843.66	0.34
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	-	(1.00)	(0.66)	0.34
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1.00)	-	(1.00)	(0.66)	0.34
Fund Balance, July 1	0.68		0.68	0.68	-
Fund Balance, June 30	(0.32)	-	(0.32)	0.02	0.34

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Statistical Section

STAFFORD TOWNSHIP SCHOOL DISTRICT
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2010	2011	2012	2013	2014*	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 13,683,840.23	\$ 12,839,867.22	\$ 15,762,786.64	\$ 18,946,291.55	\$ 19,264,987.32	\$ 22,893,679.17	\$ 19,250,409.64	\$ 19,251,716.86	\$ 14,809,087.86	\$ 19,916,091.51
Restricted	(922,076.50)	2,045,860.07	2,496,675.06	122,721.07	3,903,992.04	3,472,110.77	3,612,712.61	6,303,972.38	12,846,636.13	8,603,225.56
Unrestricted	(3,094,412.36)	(2,679,306.20)	(3,015,990.02)	(2,061,076.28)	(18,073,245.82)	(17,511,544.06)	(18,872,214.43)	(20,169,900.06)	(20,776,415.49)	(20,267,883.42)
Total governmental activities net assets	\$ 9,667,351.37	\$ 12,206,441.09	\$ 15,263,471.68	\$ 17,009,936.34	\$ 5,095,743.54	\$ 8,854,245.88	\$ 3,990,907.82	\$ 5,385,789.18	\$ 6,879,308.50	\$ 8,251,433.65
Business-type activities										
Invested in capital assets, net of related debt	\$ 87,487.98	\$ 83,220.21	\$ 87,696.30	\$ 76,955.39	\$ 66,212.48	\$ 23,707.00	\$ 86,787.01	\$ 77,156.18	\$ 66,018.08	\$ 51,531.69
Restricted	(25,227.91)	2,853.29	19,539.29	(38,698.22)	231,904.85	393,992.95	562,147.99	629,206.79	666,485.51	661,920.12
Total business-type activities net assets	\$ 62,260.07	\$ 86,073.50	\$ 107,237.59	\$ 38,257.17	\$ 298,117.33	\$ 417,699.95	\$ 648,935.00	\$ 706,362.97	\$ 732,503.59	\$ 713,451.81
District-wide										
Invested in capital assets, net of related debt	\$ 13,771,328.21	\$ 12,933,087.43	\$ 15,870,484.94	\$ 19,025,246.94	\$ 19,331,209.80	\$ 22,917,386.17	\$ 19,337,196.65	\$ 19,328,873.04	\$ 14,875,105.94	\$ 19,967,623.20
Restricted	(922,076.50)	2,045,860.07	2,496,675.06	122,721.07	3,903,992.04	3,472,110.77	3,612,712.61	6,303,972.38	12,846,636.13	8,603,225.56
Unrestricted	(3,119,640.27)	(2,676,462.91)	(2,996,450.73)	(2,093,774.50)	(17,841,340.97)	(17,117,551.11)	(18,310,066.44)	(19,540,693.27)	(20,109,929.98)	(19,605,963.30)
Total district net assets	\$ 9,729,611.44	\$ 12,302,514.59	\$ 15,370,709.27	\$ 17,048,193.51	\$ 5,393,860.87	\$ 9,271,945.83	\$ 4,639,842.82	\$ 6,097,152.15	\$ 7,611,812.09	\$ 8,964,885.46

* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: CAFR Schedule A-1

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(recrual basis of accounting)

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Instruction:										
Regular	13,019,247.49	13,069,671.43	13,503,714.33	13,247,530.95	12,637,088.74	14,475,608.48	19,387,867.55	17,106,191.61	18,467,749.14	17,585,878.24
Special education	5,509,590.82	5,227,361.40	5,163,060.01	6,011,480.32	5,230,638.17	6,773,491.30	8,511,503.18	8,137,651.52	8,787,171.25	10,449,873.72
Other special education	1,079,663.14	1,181,898.07	1,065,038.82	1,874,772.76	2,144,302.82	1,471,486.68	1,561,361.58	1,334,332.47	1,474,369.08	1,389,787.86
Support Services:										
Tuition	359,056.93	321,639.74	314,111.59	324,117.84	341,978.70	156,588.85	254,085.47	230,676.00	255,331.08	216,045.80
Student & instruction related services	5,906,990.85	6,649,317.55	6,341,725.20	6,964,609.76	6,835,050.78	7,800,533.14	9,675,774.66	9,124,528.83	9,913,348.32	9,722,257.63
General administrative services	1,289,758.79	1,249,532.22	1,149,263.92	1,711,749.69	1,511,547.70	1,326,085.00	1,888,127.63	1,632,171.50	1,726,192.93	1,361,919.29
School administrative services	1,630,379.92	1,355,402.13	1,443,688.65	1,195,230.03	1,206,501.53	1,375,161.38	1,883,639.73	1,651,534.78	1,599,135.28	1,363,693.34
Central services	844,619.47	814,731.35	765,893.96	769,412.34	602,004.04	682,280.38	896,994.56	819,961.10	929,296.51	755,981.13
Plant operations and maintenance	6,460,430.98	3,744,672.77	4,038,262.09	4,243,380.46	4,380,791.26	4,767,632.03	4,414,351.66	7,779,483.96	6,564,935.79	6,411,948.56
Pupil transportation	2,032,917.19	1,757,150.67	2,388,758.72	2,117,814.38	2,365,775.95	3,337,545.87	4,239,996.25	2,827,927.42	3,188,878.45	2,889,595.75
Special Schools	934.57	-	-	-	59,204.00	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	46,393.09	-
Cost of issuance on Long Term Debt	792,073.86	736,442.03	722,094.46	627,046.13	533,204.43	514,446.32	439,890.34	377,113.31	342,102.88	463,667.21
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	38,925,664.01	36,107,819.36	36,895,611.75	39,087,144.66	37,848,088.12	42,680,869.43	53,152,882.61	51,021,562.50	53,284,903.80	52,640,646.53
Business-type activities:										
Food service	563,879.19	692,746.89	789,656.02	794,948.80	775,339.96	785,254.76	809,843.09	847,821.89	811,462.46	811,667.57
Other	-	-	113,739.25	1,082,164.74	1,017,767.07	1,020,974.14	1,072,701.83	1,091,243.35	1,182,977.33	714,873.52
Total business-type activities expenses	563,879.19	692,746.89	903,395.27	1,877,113.54	1,793,107.03	1,806,228.90	1,882,544.92	1,939,065.24	1,994,439.79	1,526,541.09
Total district expenses	39,489,543.20	36,800,566.25	37,799,007.02	40,964,258.20	39,641,195.15	44,487,098.33	55,035,427.53	52,960,647.74	55,279,343.59	54,167,189.62
#										

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenues										
Governmental activities:										
Charges for services	-	-	-	51,247.13	30,262.16	65,974.27	172,002.78	170,003.88	231,641.19	155,911.00
Operating grants and contributions	2,216,113.92	2,014,289.58	2,238,638.46	1,859,488.93	1,659,375.73	7,640,402.82	9,751,242.14	12,357,757.55	14,660,888.83	12,863,184.35
Capital grants and contributions	-	-	-	-	1,142,544.00	1,142,544.00	437,570.05	465,566.00	386,244.00	514,776.00
Total governmental activities program revenues	2,216,113.92	2,014,289.58	2,238,638.46	1,910,736.06	1,689,637.89	8,848,921.09	10,360,814.97	12,893,317.43	15,278,774.02	13,523,871.35
Business-type activities:										
Charges for services:										
Food service	354,816.79	421,236.54	422,834.63	412,580.73	401,734.18	405,234.24	410,077.80	421,084.65	403,509.15	414,199.47
Other	286,175.96	305,323.78	150,164.21	1,038,929.65	1,272,354.20	1,177,474.28	1,268,966.86	1,296,625.33	1,291,602.32	833,716.73
Operating grants and contributions	640,982.75	726,580.32	341,460.52	356,622.74	378,878.81	378,188.48	388,236.39	404,488.24	364,468.94	334,573.11
Total business-type activities program revenue	2,859,106.67	2,740,849.30	3,153,197.82	3,718,663.18	3,742,605.08	10,809,818.09	12,428,096.02	15,115,535.65	17,338,354.43	15,106,360.66
Net (Expense)/Revenue										
Governmental activities	(36,707,550.08)	(34,093,529.78)	(34,656,973.29)	(37,176,408.60)	(36,158,450.23)	(33,831,948.34)	(42,792,067.64)	(38,028,265.07)	(38,006,129.79)	(38,116,777.18)
Business-type activities	77,113.56	33,813.43	11,164.09	(69,980.42)	259,860.16	154,688.10	184,736.13	183,152.98	65,140.62	55,948.22
Total district-wide net expense	(36,630,436.53)	(34,059,716.35)	(34,645,809.20)	(37,246,389.02)	(35,898,590.07)	(33,677,260.24)	(42,607,331.51)	(37,845,112.09)	(37,940,989.17)	(38,060,828.96)

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	22,729,674.00	23,232,029.00	23,039,850.00	23,717,051.00	23,357,323.00	24,488,202.00	25,160,892.00	26,563,906.00	27,089,177.00	27,630,961.00
Taxes levied for debt service	2,280,974.00	2,273,050.00	2,489,393.00	2,458,431.00	2,460,566.00	2,461,316.00	2,512,151.00	2,379,245.00	2,200,496.00	2,124,067.00
Unrestricted grants and contributions	11,912,559.70	10,662,652.65	11,755,877.19	12,522,516.31	12,395,529.04	9,863,405.95	9,663,920.74	9,848,360.21	9,872,849.74	9,848,596.55
Tuition revenue	119,551.83	136,291.28	93,740.25	-	-	-	-	-	-	-
Miscellaneous income	591,996.55	328,596.57	355,143.44	254,228.38	222,898.39	784,775.73	591,965.84	506,635.22	308,692.75	810,277.78
Prior Year Grant Revenue Cancelled	-	-	-	-	-	-	-	-	(1,452.60)	-
Adjustment to Fixed Assets	-	-	-	-	-	-	-	-	(9,113.78)	-
Total governmental activities	37,634,756.08	36,632,619.50	37,714,003.88	38,952,226.69	38,436,316.43	37,597,699.68	37,928,729.58	39,298,146.43	39,460,649.11	40,413,902.33
Business-type activities:										
Adjustment to Fixed Assets	-	-	-	-	-	(42,334.48)	46,498.92	-	-	-
Transfers	-	-	-	-	-	(42,334.48)	46,498.92	(725.01)	-	-
Total business-type activities	-	-	-	-	-	(42,334.48)	46,498.92	(725.01)	-	-
Total district-wide	37,634,756.08	36,632,619.50	37,714,003.88	38,952,226.69	38,436,316.43	37,555,365.20	37,975,228.50	39,297,421.42	39,460,649.11	40,413,902.33
Changes in Net Assets										
Governmental activities	927,206.99	2,539,089.72	3,057,030.59	1,775,818.09	2,277,866.20	3,765,751.34	(4,863,338.06)	1,269,881.36	1,454,519.32	1,297,125.15
Business-type activities	77,113.56	33,813.43	11,164.09	(69,980.42)	259,860.16	112,333.62	231,235.05	182,427.97	65,140.62	55,946.22
Total district	1,004,319.55	2,572,903.15	3,068,194.68	1,706,837.67	2,537,726.36	3,878,084.96	(4,632,103.01)	1,452,309.33	1,519,659.94	1,353,071.37

Source: CAFR Schedule A-2

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 1,195,410.39	\$ 1,682,453.58	\$ 2,814,649.16	\$ 2,080,326.73	\$ 1,977,954.51	\$ 3,595,549.28	\$ 3,431,303.90	\$ 5,160,217.43	\$ 5,704,969.03	\$ 5,869,623.38
Unreserved	(257,724.36)	(125,933.82)	(225,939.62)	(16,111.00)	-	(192,374.25)	(269,216.61)	(238,075.24)	(153,415.33)	985,869.74
Total general fund	<u>\$ 937,686.03</u>	<u>\$ 1,556,519.76</u>	<u>\$ 2,588,709.54</u>	<u>\$ 2,064,215.73</u>	<u>\$ 1,977,954.51</u>	<u>\$ 3,403,175.03</u>	<u>\$ 3,162,087.29</u>	<u>\$ 4,922,142.19</u>	<u>\$ 5,551,553.70</u>	<u>\$ 6,855,493.12</u>
All Other Governmental Funds										
Reserved	\$ 1,357,939.59	\$ 1,715,830.07	\$ 847,929.06	\$ 749,933.58	\$ 2,002,218.33	\$ 697,686.42	\$ 343,816.83	\$ 1,444,915.19	\$ 7,466,810.72	\$ 3,071,455.38
Unreserved, reported in:										
Special revenue fund	(22,440.00)	-	-	(22,440.00)	(22,440.00)	(22,440.00)	(22,440.00)	(22,440.00)	(22,440.00)	(146,997.00)
Capital projects fund	(2,489,968.05)	-	-	-	-	-	-	-	-	-
Debt service fund	1.96	-	-	0.16	1,492.64	36,736.23	32,564.96	0.68	0.68	0.02
Total all other governmental funds	<u>\$ (1,154,466.50)</u>	<u>\$ 1,715,830.07</u>	<u>\$ 847,929.06</u>	<u>\$ 727,493.74</u>	<u>\$ 1,981,270.97</u>	<u>\$ 711,982.65</u>	<u>\$ 353,941.79</u>	<u>\$ 1,422,475.87</u>	<u>\$ 7,444,371.40</u>	<u>\$ 2,924,458.40</u>

Source: CAFR Schedule B-1

Exhibit J-4

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	25,010,648.00	25,505,079.00	25,509,243.00	26,175,482.00	25,817,889.00	26,949,518.00	27,672,843.00	28,943,151.00	29,289,673.00	29,755,028.00
Miscellaneous	711,548.38	464,887.85	448,883.69	305,475.51	2,156,498.05	851,241.08	555,550.64	639,581.93	421,118.29	1,286,467.92
State sources	11,381,004.79	11,290,956.67	12,530,711.25	13,265,819.66	13,099,634.73	12,320,577.90	13,932,029.35	14,373,539.25	14,891,458.91	16,801,188.88
Federal sources	2,749,668.83	1,385,985.56	1,463,804.40	1,116,185.58	955,020.04	973,376.79	988,369.56	1,020,003.10	939,643.66	959,180.88
Total revenue	38,756,004.08	38,646,909.08	39,952,642.34	40,862,962.75	42,029,041.82	41,094,713.77	43,148,792.55	44,976,276.28	45,541,893.86	48,801,866.88
Expenditures										
Instruction:										
Regular instruction	9,757,633.92	9,106,727.87	9,688,890.99	9,267,819.67	8,801,647.31	8,587,160.96	9,775,764.48	9,336,846.60	9,668,877.54	9,634,253.41
Special education instruction	4,091,773.56	3,929,064.34	3,696,839.49	4,205,562.16	3,643,104.30	4,018,142.66	4,291,720.73	4,455,169.07	4,600,565.12	5,724,861.99
Other special education instruction	801,826.71	804,821.66	762,586.06	1,311,569.48	1,493,492.49	872,909.28	787,279.02	731,018.83	771,912.92	761,381.81
Support Services:										
Tuition	359,056.93	321,639.74	314,111.59	324,117.84	341,978.70	156,598.85	254,085.47	230,676.00	249,467.72	216,045.80
Student & instruction related services	4,404,687.01	4,730,005.46	4,540,783.98	4,888,434.65	4,760,566.88	4,627,400.20	4,878,776.62	4,997,566.11	5,190,180.47	5,326,244.56
General administrative services	1,215,731.23	912,071.39	1,033,705.82	1,197,520.41	853,634.81	900,599.41	1,025,972.90	1,013,598.22	906,748.28	926,893.74
School administrative services	901,225.00	919,661.20	822,892.54	836,169.15	1,058,804.13	935,873.91	892,047.61	969,852.04	978,793.03	925,887.94
Business / Central services	629,810.43	583,437.92	548,393.29	538,271.99	399,955.83	446,828.51	455,834.88	501,465.46	526,933.54	513,835.59
Plant operations and maintenance	4,112,068.15	3,271,453.35	3,250,609.50	3,509,162.66	3,114,616.96	3,265,182.02	3,030,566.37	3,779,531.50	3,873,016.58	4,575,272.41
Pupil transportation	1,495,478.40	1,604,161.89	1,605,623.61	1,642,008.18	1,647,747.03	1,740,028.44	2,377,036.88	1,635,533.19	1,989,009.97	1,970,836.90
Unallocated employee benefits	8,353,199.77	8,425,064.69	8,391,251.45	9,658,107.77	10,145,176.39	8,668,711.76	11,708,720.58	12,312,903.13	12,746,093.97	14,030,944.39
Special Schools	934.57	-	-	-	-	-	-	-	5,863.36	-
Capital outlay	2,925,745.78	1,681,951.74	2,318,601.77	1,294,790.13	1,764,308.46	3,882,165.55	1,249,211.04	1,687,462.87	4,940,366.72	4,847,737.06
Debt service:										
Principal	1,755,000.00	1,770,000.00	2,070,000.00	2,230,000.00	2,280,000.00	2,340,000.00	2,475,000.00	2,500,000.00	2,420,000.00	2,185,000.00
Interest and other charges	820,311.29	751,717.53	764,063.48	604,357.79	556,492.52	497,180.02	389,376.27	308,342.51	199,305.00	453,843.66
Total Expenditures	41,624,482.75	38,811,778.78	39,786,353.57	41,507,891.88	40,861,525.81	40,938,761.57	43,591,390.85	44,459,965.53	48,067,134.22	52,092,839.26
Excess (Deficiency) of revenues over (under) expenditures	(1,771,612.75)	(164,869.70)	164,288.77	(644,929.13)	1,167,516.01	155,932.20	(442,598.30)	516,309.75	(3,525,240.36)	(3,290,973.58)
Other Financing Sources (Uses)										
Transfers Out	-	-	-	-	-	-	(807,740.41)	(236,001.91)	(365,887.52)	(14,472.34)
Transfers In	-	-	-	-	-	-	807,740.41	361,001.91	404,887.52	89,472.34
Prior Year Grant Revenue Cancelled	-	-	-	-	-	-	-	(1,452.60)	-	-
Capital Leases / Bond Proceeds	-	3,654,000.00	-	-	-	-	(156,530.30)	2,187,279.23	10,139,000.00	-
Total other financing sources (uses)	-	3,654,000.00	-	-	-	-	(156,530.30)	2,312,279.23	10,176,547.40	75,000.00
Net change in fund balances	(1,771,612.75)	3,489,130.30	164,288.77	(644,929.13)	1,167,516.01	155,932.20	(599,128.60)	2,828,588.98	6,651,307.04	(3,215,973.58)
Debt service as a percentage of noncapital expenditures	6.65%	6.79%	7.56%	7.05%	7.25%	7.66%	6.76%	6.57%	5.94%	5.59%

Source: CAFR Schedule B-2

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
 Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Legal Settlement	Lease Purchase Proceeds	Miscellaneous	Totals
2010	36,513.42	119,551.83	-	-	82,772.32	342,038.06
2011	41,935.89	136,291.28	-	-	122,151.53	300,378.70
2012	4,656.16	93,740.25	-	-	174,101.26	272,497.67
2013	10,331.72	51,247.13	-	-	243,896.66	305,475.51
2014	8,727.86	30,262.16	-	-	214,170.53	253,160.55
2015	8,381.30	65,974.27	-	-	436,394.43	510,750.00
2016	9,304.23	172,002.78	-	-	360,900.61	542,207.62
2017	11,756.61	170,003.88	-	-	444,816.03	626,576.52
2018	20,313.19	231,641.19	-	-	152,976.39	404,930.77
2019	38,120.67	155,911.00	-	-	1,066,475.77	1,260,507.44

Source: District Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2010	131,655,800	3,761,987,100	830,300	64,000	456,964,400	712,700	4,965,400	4,357,179,700	368,266,900	6,504,297	4,363,683,997	0.575	5,030,214,504
2011	124,154,700	3,779,863,900	830,300	64,000	455,476,000	712,700	4,965,400	4,366,067,000	381,729,751	5,806,160	4,371,873,160	0.564	4,865,273,796
2012	Detail Unavailable							4,373,613,000	384,506,851	6,142,881	4,379,765,881	0.698	4,571,977,619
2013	85,750,100	2,998,631,600	906,700	66,700	504,026,100	672,200	5,289,100	3,595,342,500	368,615,851	5,771,621	3,601,114,121	0.717	3,883,206,823
2014	83,046,000	3,072,774,600	906,700	68,000	502,311,300	672,200	5,289,100	3,665,067,100	380,220,251	4,866,102	3,669,924,002	0.801	3,844,978,633
2015	81,794,000	3,207,651,650	931,700	68,400	501,336,900	672,200	5,301,000	3,797,755,850	381,306,101	5,020,383	3,802,776,243	0.793	3,885,357,025
2016	82,398,900	3,264,430,450	933,600	76,700	490,573,100	672,200	5,301,000	3,844,385,950	381,450,901	4,652,450	3,849,038,400	0.817	4,180,155,817
2017	77,666,700	3,316,100,000	561,100	73,000	494,529,500	672,200	5,301,000	3,894,903,500	390,037,828	4,478,413	3,899,381,913	0.813	4,385,697,198
2018-r	70,768,300	3,546,662,300	755,000	74,300	534,318,500	693,100	9,983,500	4,163,255,000	394,369,228	4,968,411	4,168,223,411	0.714	4,546,535,990
2019	72,800,000	3,591,719,700	753,700	70,000	533,772,500	693,100	10,201,100	4,210,010,100	395,152,828	-	4,210,010,100	0.714	4,594,062,652

r = reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

STAFFORD TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	STAFFORD TOWNSHIP SCHOOL DISTRICT				Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Library	County Health	County Open Space	Southern Regional	Municipal Local Purpose*	
2010	0.523	0.052	0.575	0.304	0.036	0.015	0.014	0.194	0.655	1.793
2011	0.532	0.052	0.584	0.313	0.036	0.014	0.014	0.201	0.684	1.846
2012	0.542	0.056	0.598	0.316	0.036	0.013	0.013	0.214	0.717	1.907
2013	0.649	0.068	0.717	0.348	0.040	0.015	0.013	0.238	0.876	2.247
2014	0.734	0.067	0.801	0.360	0.041	0.014	0.013	0.236	0.877	2.342
2015	0.728	0.065	0.793	0.361	0.039	0.014	0.012	0.223	0.870	2.312
2016	0.752	0.065	0.817	0.377	0.041	0.015	0.013	0.236	0.895	2.394
2017	0.752	0.061	0.813	0.382	0.041	0.015	0.013	0.239	0.911	2.414
2018	0.661	0.053	0.714	0.360	0.039	0.014	0.013	0.240	0.898	2.278
2019	0.664	0.050	0.714	0.374	0.041	0.018	0.013	0.228	0.904	2.292

* = Includes Municipal Open Space Tax of \$0.01 effective in 2003 and every year thereafter.

r = reassessment

Source: District Records and Municipal Tax Collector

Exhibit J-8

STAFFORD TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
72 Associates - Shoprite	33,145,100.00	1	0.79%	\$ 25,313,700.00	1	0.58%
Manahawkin 2015 LLC %MCB Property Mgmt	20,103,800.00	2	0.48%			
81 Associates	16,745,500.00	3	0.40%	14,859,500.00	3	0.34%
Davis and Associates	15,096,000.00	4	0.36%	11,137,300.00	7	0.26%
321 Martin Truex Jr. Blvd. LLC	14,830,300.00	5	0.35%			
Wal-Mart	14,209,300.00	6	0.34%	11,600,000.00	5	0.27%
HD Development of Md.	13,500,100.00	7	0.32%	11,182,500.00	6	0.26%
Manahawkin Plaza % Salem Management Co.	13,286,100.00	8	0.32%			
151 ROUTE 72 LLC	13,038,700.00	9	0.31%	8,680,500.00	9	0.20%
Stafford Properties Res Urban Renewal&Walters LTD Realty Management	10,730,200.00	10	0.25%			
Southern Ocean County Hospital						
ACI Manahawkin LLC				10,490,000.00	8	0.24%
ACI Manahawkin LLC - KMART				16,632,500.00	2	0.38%
JAM Properties, LLC - Holiday Inn				12,197,400.00	4	0.28%
Carol Van Stuart - Pathmark				6,875,500.00	10	0.16%
Totals	\$ 164,685,100.00		3.91%	\$ 128,968,900.00		2.96%
				District Assessed Value		\$ 4,357,179,700.00

Source: District CAFR & Municipal Tax Assessor

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	25,010,648.00	25,010,648.00	100%	-
2011	25,505,079.00	25,505,079.00	100%	-
2012	25,509,243.00	25,509,243.00	100%	-
2013	26,175,482.00	26,175,482.00	100%	-
2014	25,817,889.00	25,817,889.00	100%	-
2015	26,949,518.00	26,949,518.00	100%	-
2016	27,672,843.00	27,672,843.00	100%	-
2017	28,943,151.00	28,943,151.00	100%	-
2018	29,289,673.00	29,289,673.00	100%	-
2019	29,755,028.00	29,755,028.00	100%	-

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

Exhibit J-10

STAFFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Bond / Grant Anticipation Notes (BANs)	Business-Type Activities	Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Capital Leases	Capital Leases					
2010	18,215,000.00	838,752.00	-	2,000,000.00	23,420,646.89	0.11%	40,291	
2011	20,099,000.00	232,661.77	-	-	20,331,661.77	0.20%	40,611	
2012	17,994,000.00	-	-	-	17,994,000.00	0.22%	40,291	
2013	15,764,000.00	418,623.86	-	-	16,182,623.86	0.25%	40,724	
2014	13,484,000.00	2,230,648.00	-	-	15,714,648.00	0.27%	43,200	
2015	11,144,000.00	2,937,529.15	-	-	14,081,529.15	0.31%	43,214	
2016	8,559,000.00	2,405,098.89	-	-	10,964,098.89	0.40%	44,381	
2017	6,059,000.00	3,939,022.00	400,000.00	-	10,398,022.00	0.44%	46,109	
2018	13,778,000.00	3,638,588.14	-	-	17,416,588.14	0.27%	47,143	
2019	11,593,000.00	3,319,162.64	-	-	14,912,162.64	0.34%	50,184	

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2010	18,215,000.00	-	18,215,000.00	0.42%	40,291
2011	20,099,000.00	-	20,099,000.00	0.46%	40,611
2012	17,994,000.00	-	17,994,000.00	0.41%	40,291
2013	15,764,000.00	-	15,764,000.00	0.44%	40,724
2014	13,484,000.00	-	13,484,000.00	0.37%	43,200
2015	11,144,000.00	-	11,144,000.00	0.29%	43,214
2016	8,559,000.00	-	8,559,000.00	0.22%	44,381
2017	6,059,000.00	-	6,059,000.00	0.16%	46,109
2018	13,778,000.00	-	13,778,000.00	0.33%	47,143
2019	11,593,000.00	-	11,593,000.00	0.28%	50,184

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2018**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipality	55,069,316.15	100.00%	\$ 55,069,316.15
Other Debt			
Southern Regional School District	-	21.43%	-
County of Ocean	475,771,081.69	4.26%	20,277,047.85
Subtotal, Overlapping Debt			75,346,364.00
Stafford Township School District Direct Debt	11,593,000.00	100.00%	<u>11,593,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$ 86,939,364.00</u></u>

Sources: Annual Debt Statement

STAFFORD TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Exhibit J-13

Equalized valuation basis	
2018	\$ 4,541,567,579.00
2017	4,381,218,785.00
2016	4,175,503,967.00
	<u>\$ 13,096,289,731.00</u>

Average equalized valuation of taxable property	\$ 4,366,096,577.00
Debt limit (2.5% of average)	109,152,414.43
Net bonded school debt	11,593,000.00
Legal debt margin	<u>\$ 97,559,414.43</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 126,240,053.00	\$ 124,497,427.00	\$ 119,983,827.00	\$ 73,146,289.00	\$ 106,333,249.00	\$ 101,047,236.00	\$ 99,652,558.08	\$ 101,261,459.45	\$ 105,074,653.68	\$ 109,152,414.43
Total net debt applicable to limit	19,970,000.00	21,324,000.00	19,539,000.00	17,419,000.00	15,174,000.00	11,144,000.00	11,144,000.00	6,059,000.00	13,778,000.00	11,593,000.00
Legal debt margin	<u>\$ 106,974,760.33</u>	<u>\$ 103,173,427.00</u>	<u>\$ 100,444,827.00</u>	<u>\$ 55,727,289.00</u>	<u>\$ 91,159,249.00</u>	<u>\$ 89,903,236.00</u>	<u>\$ 88,508,558.08</u>	<u>\$ 95,202,459.45</u>	<u>\$ 91,296,653.68</u>	<u>\$ 97,559,414.43</u>

Total net debt applicable to the limit as a percentage of debt limit	18.91%	17.13%	16.28%	23.81%	14.27%	11.03%	11.18%	5.98%	13.11%	10.62%
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Source: Abstract of Ratables and District Records CAFR Schedule J-7

STAFFORD TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years

Exhibit J-14

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	26,584	1,071,095.94	40,291	9.50%
2011	26,665	1,082,892.32	40,611	9.40%
2012	26,945	1,085,641.00	40,291	9.50%
2013	26,941	1,097,145.28	40,724	7.70%
2014	26,941	1,163,851.20	43,200	8.10%
2015	26,809	1,158,524.13	43,214	5.10%
2016	26,959	1,196,467.38	44,381	5.90%
2017	27,153	1,251,997.68	46,109	5.30%
2018	27,346	1,289,172.48	47,143	4.90%
2019	27,542	1,382,167.73	50,184	4.40%

Source : New Jersey Department of Labor

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Totals	-					
	DATA NOT AVAILABLE					
			Not Available	-		Not Available

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Full-Time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular instruction	173	167	170	182	176	161	156	153	158	182
Special education instruction	35	34	33	36	69	41	68	74	54	79
Support Services:										
Student & instruction related services	84	87	76	112	65	125	89	93	66	47
General administrative services	2	2	2	2	5	8	7	6	7	6
School administrative services	39	39	39	38	33	28	14	16	24	22
Business administrative services	10	10	11	9	6	9	7	7	7	7
Plant operations and maintenance / Security	15	17	22	23	20	24	31	36	41	38
Pupil transportation	26	26	24	23	39	39	43	43	42	50
Total	384	382	377	425	413	435	415	428	399	431

Source: District Personnel Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
 Operating Statistics,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2010	2,471	36,123,426.00	14,619	4.75%	210	1:12	1:12	Not Applicable	2,446	2,326	-1.89%	95.09%
2011	2,389	34,608,110.00	14,486	-0.91%	201	1:12	1:12	Not Applicable	2,378	2,257	-2.78%	94.91%
2012	2,323	34,635,688.00	14,910	2.92%	203	1:11	1:11	Not Applicable	2,310	2,202	-2.86%	95.32%
2013	2,189	37,378,744.00	17,076	14.53%	203	1:11	1:11	Not Applicable	2,058	1,961	-10.91%	95.29%
2014	2,271	36,260,725.00	15,967	-6.49%	203	1:12	1:11	Not Applicable	2,271	2,157	10.37%	94.96%
2015	2,203	34,219,436.00	15,533	-2.72%	202	1:11	1:10	Not Applicable	2,203	2,086	-3.01%	94.69%
2016	2,190	39,477,803.54	18,026	16.05%	204	1:11	1:11	Not Applicable	2,188	2,071	-0.68%	94.65%
2017	2,176	39,964,160.15	18,366	1.88%	212	1:10	1:12	Not Applicable	2,174	2,051	-0.64%	94.34%
2018	2,177	41,507,462.50	19,066	3.81%	214	1:10	1:12	Not Applicable	2,175	2,075	0.05%	95.40%
2019	2,206	44,606,258.54	20,220	6.05%	212	1:11	1:11	Not Applicable	2,086	1,968	-4.09%	94.34%

Source: District records

STAFFORD TOWNSHIP SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
District Buildings										
Elementary										
Oxyococus School										
Square Feet	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528
Capacity (students)	307	307	307	307	307	307	307	307	307	307
Enrollment	219	122	121	111	182	163	168	167	167	178
Ocean Acres School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	744	744	744	744	744	744	744	744	744	744
Enrollment	516	605	606	602	581	530	523	532	532	520
McKinley School										
Square Feet	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500
Capacity (students)	726	726	726	726	726	726	726	726	726	726
Enrollment	724	643	593	651	625	589	586	567	567	562
RLM - PLC										
Square Feet	49,262	49,262	49,262	49,262	49,262	49,262	49,362	49,362	49,362	49,362
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	313	295	266	300	248	276	270	278	278	270
Middle School										
Intermediate School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	734	734	734	734	734	734	734	734	734	734
Enrollment	699	721	737	702	635	645	643	632	633	642
Other										
Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Curriculum Center										
Square Feet	2,476	2,476	2,476	2,476	2,476	2,476	2,476	(A)	(A)	(A)
Transportation										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Number of Schools at June 30, 2019

Elementary - 4

Middle - 1

Other - 1

(A) Building disposed of 7/1/16 - sold to Township of Stafford

Source: District Records, ASSA

STAFFORD TOWNSHIP SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Ten Fiscal Years
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ocean Acres Elementary	N/A	\$ 27,666.00	\$ 52,860.00	\$ 31,730.00	\$ 55,282.28	\$ 71,469.59	\$ 105,360.72	\$ 68,786.84	\$ 51,209.52	\$ 82,013.55	\$ 242,923.78
Oxyocous Elementary	N/A	17,423.00	32,701.00	17,423.00	65,107.08	60,451.70	89,118.12	58,182.53	43,314.96	69,370.18	205,474.17
McKinley Elementary	N/A	38,797.00	102,504.00	63,897.00	94,090.72	140,697.23	207,416.35	135,415.88	100,812.63	161,454.38	478,227.19
Stafford Intermediate	N/A	26,531.00	50,703.00	29,717.00	64,454.70	65,833.58	97,052.10	63,362.39	47,171.20	75,546.06	223,767.11
Ronald L. Meinders PLC	N/A	14,090.00	27,737.00	14,090.00	62,446.63	26,276.64	38,737.11	25,290.29	18,827.79	30,153.26	89,313.82
Total School Facilities		124,507.00	266,505.00	156,857.00	341,391.42	364,728.75	537,684.41	351,037.94	261,336.10	418,537.42	1,239,706.07
Other Facilities		3,072.00	6,573.00	178,965.00	5,594.95	1,917.90	2,827.37	1,845.90	1,374.21	2,200.84	6,518.87
Grand Total		\$ 127,579.00	\$ 273,078.00	\$ 335,822.00	\$ 346,986.37	\$ 366,646.65	\$ 540,511.78	\$ 352,883.84	\$ 262,710.31	\$ 420,738.26	\$ 1,246,224.94

Source: District Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year ended June 30, 2019
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
School Package Policy			
	Property	\$ 250,000,000.00	\$ 1,000.00
	Boiler & Machinery limits	100,000,000.00	1,000.00
	Perils Included (Flood/Earthquake)		
	Comprehensive Automotive Liability	15,000,000.00	-
	FDLL	2,500,000.00	-
	Medical Pay	5,000.00	-
	Environmental	1,000,000.00	100,000.00
	Blanket Dishonesty Bond	25,000.00	
	Workers Compensation		
	Employers Liability per occurrence	5,000,000.00	
	School Board Legal Liability	15,000,000.00	Per Coverage Charts
	Defense Cost (Outside Limit)	1,000,000.00	Per Coverage Charts

Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Stafford Township School District
County of Ocean, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Stafford Township School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Stafford Township School District's basic financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 6, 2019



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Stafford Township School District
County of Ocean, New Jersey

Report on Compliance for Each Major Federal & State Program

We have audited the Stafford Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Stafford Township School District's major federal and state programs for the year ended June 30, 2019. The Stafford Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Stafford Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance and New Jersey 15-08 *State Aid/Grant Compliance Supplement*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Stafford Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Stafford Township School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Stafford Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Stafford Township School District's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Stafford Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Stafford Township School District's 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

December 6, 2019

STAFFORD TOWNSHIP SCHOOL DISTRICT
 STATE AWARD SCHEDULE
 For the Fiscal Year ended June 30, 2019

Federal CFDA Number	Federal Title	Grant or State Project Number	Grant Period From To	Program or Award Amount	Account Receivable	Balance at June 30, 2018	Due to Donor	Carryover (Waiver) Amount	Cash Received	Budgetary Expenditures		Repayment of Prior Year's Business	(Accounts Receivable) at June 30, 2019	Deferred Revenue	Due to County June 30, 2019
										Back Through	Direct				
U.S. Department of Education															
Parade through State Department of Health															
84.010A	1605N45MAP	N/A	7/1/2018	6/30/2019	69,356.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
84.010A	S010A70030	NCLB 19	7/1/2017	6/30/2018	235,184.00	(48,705.00)	-	235,184.00	-	(235,184.00)	-	-	-	-	-
84.365	S365A18030	N/A	7/1/2018	6/30/2019	1,679.00	-	-	1,679.00	-	(1,679.00)	-	-	-	-	-
84.424	S424A18031	N/A	7/1/2018	6/30/2019	14,135.00	(5,111.00)	-	14,135.00	-	(14,135.00)	-	-	-	-	-
84.027	H027A18010	FT19	7/1/2018	6/30/2019	540,562.79	(110,540.21)	-	540,562.79	-	(540,562.79)	-	-	-	-	-
84.173	H173A18014	FT 18	7/1/2017	6/30/2018	41,129.60	(22.00)	-	41,129.60	-	(41,129.60)	-	-	-	-	-
84.367A	S367A18029	NCLB 19	7/1/2018	6/30/2019	57,142.54	(23,084.46)	-	57,142.54	-	(57,142.54)	-	-	-	-	-
84.938C	N/A	NCLB 18	7/1/2017	6/30/2018	4,500.00	(4,500.00)	-	4,500.00	-	-	-	-	-	-	-
84.412	8443412008	N/A	7/1/2017	6/30/2018	11.00	-	11.00	-	-	-	-	-	-	-	11.00
Total Federal Financial Awards															
\$ (222,615.96) \$ 2,082.86 \$ 1,422,010.88 \$ (1,287,160.67) \$ 2,810.44 \$ (88,490.83) \$ 2,810.44															
U.S. Department of Education															
Parade through State Department of Education:															
10.555	181NJ304N1099	N/A	7/1/2018	6/30/2019	222,246.86	(19,299.20)	-	206,731.15	-	(222,246.86)	-	-	(15,151.71)	-	-
10.553	181NJ304N1099	N/A	7/1/2018	6/30/2019	54,443.00	(5,351.69)	-	50,826.43	-	(54,443.00)	-	-	(3,616.57)	-	-
10.565	18175790756505	N/A	7/1/2018	6/30/2019	51,598.03	-	-	52,017.51	-	(49,507.07)	-	-	-	2,810.44	-
10.565	18175790756505	N/A	7/1/2017	6/30/2018	47,387.33	-	-	47,387.33	-	(47,387.33)	-	-	-	-	-
Total Federal Financial Awards															
\$ (224,650.86) \$ 2,082.86 \$ 1,422,010.88 \$ (1,287,160.67) \$ 2,810.44 \$ (88,490.83) \$ 2,810.44															

The accompanying Notes to the Schedules of State Awards and Financial Assistance are an integral part of this statement.

STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019

NOTE 1 GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Township of Stafford School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 that payment is 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 revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$3,882.00, for the general fund and (\$0) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$ 69,358.55	\$ 14,805,608.89	\$ -	\$ (3,817,853.00)	\$ 11,057,114.44
Special Revenue Fund	889,822.33	1,480,803.99	11,499.14	-	2,382,125.46
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	514,776.00	-	-	514,776.00
Food Service Fund	<u>327,979.79</u>	<u>6,593.32</u>	<u>-</u>	<u>-</u>	<u>334,573.11</u>
	<u>\$ 1,287,160.67</u>	<u>\$ 16,807,782.20</u>	<u>\$ 11,499.14</u>	<u>(3,817,853.00)</u>	<u>\$ 14,288,589.01</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2019
(CONTINUED)

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

NOTE 6 ADJUSTMENTS

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year.

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2019

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unmodified Opinion issued on the Basic Financial Statements

Internal control over financial reporting:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Noncompliance material to the Basic Financial Statements noted? None noted

Federal Awards

Internal control over major programs:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Type of auditor's report issued on compliance for major programs: An Unmodified Opinion was issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? None noted

Identification of major programs:

<u>CFDA Numbers</u>	<u>FAIN#</u>	<u>Name of Federal Program or Cluster</u>
		<u>Child Nutrition Cluster</u>
10.553	181NJ304N1099	School Breakfast Program
10.555	181NJ304N1099	National School Lunch Program
10.555	181NJ304N1099	Food Distribution Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2019

I. SUMMARY OF AUDITORS RESULTS - Continued

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000.00
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Internal Control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No
Identification of major programs:	

<u>GMIS Numbers</u>	<u>Name of State Program</u>
----------------------------	-------------------------------------

State Aid Public Cluster of Programs

495-034-5120-068	School Choice Aid
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-086	Preschool Education Grant

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2019

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.

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