

**SUSSEX-WANTAGE REGIONAL
SCHOOL DISTRICT**

**Sussex-Wantage Regional School District
Sussex, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

**Comprehensive Annual
Financial Report**

of the

**Sussex-Wantage Regional School District
Board of Education**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2019

Prepared by

**Sussex-Wantage Regional School District
Board Office**

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION (Unaudited)

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

FINANCIAL SECTION

Independent Auditors' Report	9
Required Supplementary Information.....	12
Management's Discussion and Analysis (Unaudited).....	13
Basic Financial Statements (Sections A and B).....	20
A. District-Wide Financial Statements.....	21
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B. Fund Financial Statements	25
B-1 Balance Sheet – Governmental Funds	26
B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	28
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
B-4 Statement of Net Position – Proprietary Funds	30
B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds	31
B-6 Statement of Cash Flows – Proprietary Funds.....	32
B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	33
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds	34
Notes to the Basic Financial Statements	35
Required Supplementary Information (Unaudited)	76
L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions (Unaudited).....	77
L-1 Schedule of District's Proportionate Share of the Net Pension Liability Public Employees – Retirement System.....	77
L-2 Schedule of District Contributions – Public Employees Retirement System	78
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District– Teachers' Pension and Annuity Fund.....	79
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund.....	80
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	81
Notes to Required Supplementary Information.....	82

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

C.	Budgetary Comparison Schedules (Unaudited)	85
C-1	Budgetary Comparison Schedule – General Fund	86
C-2	Budgetary Comparison Schedule - Special Revenue Fund	96
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI	97
Other Supplementary Schedules (D.-I.)		
D.	School Level Schedules (Not Applicable)	99
E.	Special Revenue Fund	100
E-1	Combining Schedule of Program Revenue and Expenditures-Special Revenue Fund – Budgetary Basis	101
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund	104
F-1	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	105
F-1a	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Solar Panel Project	106
G.	Proprietary Funds (Enterprise Fund)	107
G-1	Combining Statement of Net Position	108
G-2	Combining Statement of Revenue, Expenses and Changes in Net Position	109
G-3	Combining Statement of Cash Flows	110
H.	Fiduciary Funds	111
H-1	Combining Statement of Net Position	112
H-2	Statement of Changes in Fiduciary Net Position	113
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	114
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	115
I.	Long-Term Debt (Not Applicable)	116
STATISTICAL SECTION		
J.	Statistical Schedules (Unaudited)	117
J-1	Net Position by Component	118
J-2	Changes in Net Position	120
J-3	Fund Balances - Governmental Funds	126
J-4	Changes in Fund Balances - Governmental Funds	128
J-5	General Fund Other Local Revenue by Source	132
J-6	Assessed Value and Actual Value of Taxable Property	133
J-7	Direct and Overlapping Property Tax Rates	134
J-8	Principal Property Taxpayers, Current Year and Nine Years Ago	135
J-9	Property Tax Levies and Collections	136
J-10	Ratios of Outstanding Debt by Type	137
J-11	Ratios of Net General Bonded Debt Outstanding	138
J-12	Ratios of Overlapping Governmental Activities Debt	139
J-13	Legal Debt Margin Information	140
J-14	Demographic and Economic Statistics	141
J-15	Principal Employers, Current Year and Nine Years Ago	142

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

STATISTICAL SECTION (Cont'd)

J-16	Full-time Equivalent District Employees by Function/Program	143
J-17	Operating Statistics.....	144
J-18	School Building Information.....	145
J-19	Schedule of Required Maintenance.....	146
J-20	Insurance Schedule.....	147

K. SINGLE AUDIT SECTION 148

K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	149
K-2	Independent Auditors' Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance	151
K-3	Schedule of Expenditures of Federal Awards	153
K-4	Schedule of Expenditures of State Awards.....	154
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	156
K-6	Schedule of Findings and Questioned Costs	158
K-7	Summary Schedule of Prior Audit Findings	160

INTRODUCTORY SECTION

BOARD OF EDUCATION
SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

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BRENDA VANWARNER
ADMINISTRATIVE ASSISTANT

NANCY SISTO
ADMINISTRATIVE ASSISTANT

November 26, 2019

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
County of Sussex
Sussex, New Jersey

Dear Honorable President and Board Members:

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

1. **REPORTING ENTITY AND ITS SERVICES:** The Sussex-Wantage Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) in Codification Section 2100. All funds of the District are included in this report. The Sussex-Wantage Regional Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2018-2019 fiscal year with an average daily enrollment of 1,037 students, an increase of 17 students from the previous year's enrollment.

(2) ECONOMIC CONDITION AND OUTLOOK: The economic condition of the municipalities comprising the District continues to be influenced by the slow population growth. There was a net decline in ratables in Sussex Borough this past year. The percentage of commercial ratables to the total ratables is considerably less than in most areas in the State of New Jersey. There is no prospect of change neither in this fact, nor in the DE rating of the District.

(3) MAJOR INITIATIVES: The total amount of State Aid for the 2018-2019 school year decreased (\$196,361) from the level of the 2017-2018 funding. Despite this, the District was able to maintain class sizes across all grade levels.

The District continued to provide a continuum of in-house services to students with special needs, continued a pull-out Basic Skills program, a Gifted and Talented program, and maintained small class sizes throughout the District. The District continued to incorporate the teaming model at the Middle School in all three grades and the STEAM cycle continues to evolve into all areas of Science, Math, Engineering, Arts and Technology. Delivery of classes in STEAM are being examined to keep pace with the changing technologies and student interests. This year, the District expanded on the adopting of a unified K-8 math series called Big Ideas Math to coordinate and align math instruction from Kindergarten through Eighth Grade by also providing small group and one on one professional development. The District continued its use of digital formative assessments in Math and Language Arts through the NWEA Measures of Academic Progress (MAPs) Assessment in grades K-8. Students are tested multiple times per year and teachers use the data collected to design and implement targeted instruction according to the standards. Students in grades 3-8 are fully immersed in a 1:1 Google Chromebook environment. This program is in its fifth year. The District continued to offer Spanish to all students in grades K-8. Professional development in the District focused on mathematics instructional strategies and benchmarks, Dyslexia, and Google Apps for Education to continue to create a blended learning environment for our students. Training was offered through a combination of job-embedded workshops with experienced consultants, off-site workshops, and on-site training during professional days provided by our own knowledgeable staff. In-house training was also continued in Crisis Prevention Institute (CPI) to help create a safe, humanistic learning environment for at-risk students. Parent academy workshops were offered throughout the year to help parents' understanding of student assessment, social-emotional learning, educational technology, and assessments. These meetings were coordinated with our Parent Teacher Organization and occurred in conjunction with their meetings. Also, as continued courtesy, the Sussex Middle School conducted cognitive concussion testing.

4) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

5) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2019.

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

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

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
Page 4
November 26, 2019

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

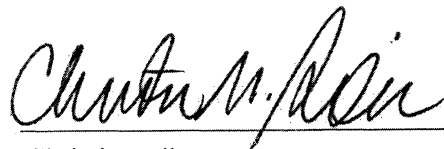
The auditors’ report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors’ reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,

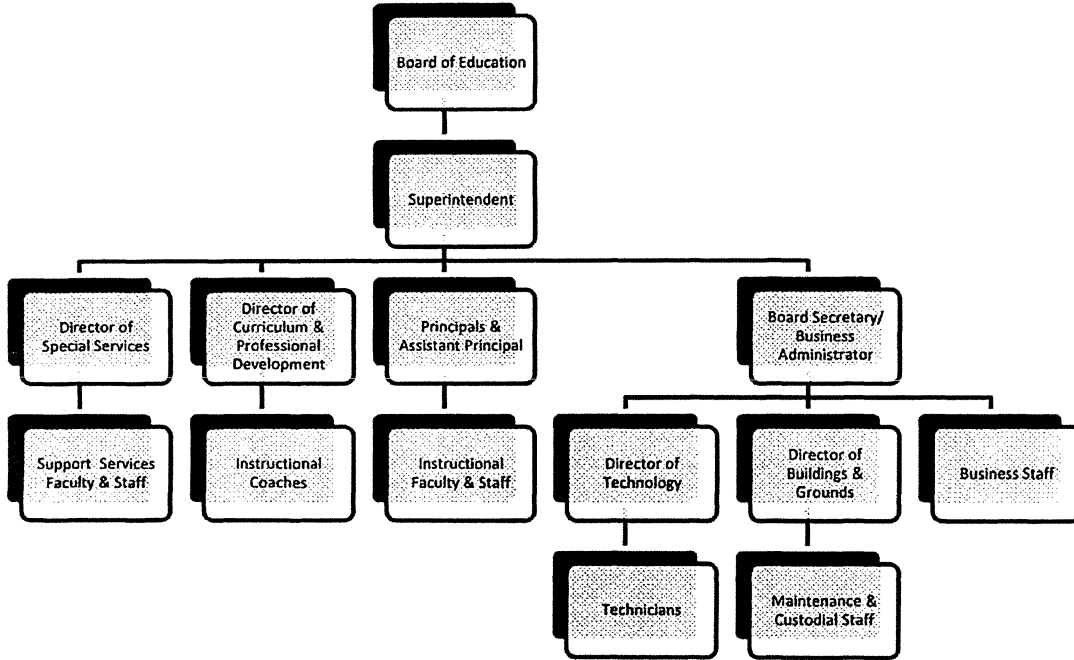


Michael Gall
Superintendent of Schools



Christina Riker
Business Administrator/Board Secretary

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
Organizational Chart
(Unit Control)



**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Nicholas D'Agostino, President	2020
Coleen Ranzan, Vice President	2019
Jenny Craig	2021
Susan Fields	2019
Robert Heiden	2020
Kenneth Nuss	2020
Megan Steele	2021
Georgeanna Stoll	2019
Dorothy Witte	2021

<u>Other Officers</u>	<u>Title</u>
Michael Gall	Superintendent
Christina Riker	Business Administrator/Board Secretary
Grant W. Rome, Treasurer	Treasurer

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC
7 James Street
Florham Park, NJ 07932

Official Depository

Lakeland Bancorp Inc.
250 Oak Ridge Road
Oak Ridge, NJ 07438-8906

Architect

Parette Somjen Architects, LLC
439 Route 46 East
Rockaway, NJ 07866

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, 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 Board of Education of Sussex-Wantage Regional School District (the "District") in the County of Sussex, as of and for the fiscal 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.

Auditors' 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 District'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 District'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 that 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 Board of Education of the Sussex-Wantage Regional 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 management's discussion and analysis, which follows this report, the pension and post-employment benefit schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, 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 District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
Page 3

The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

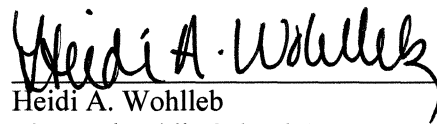
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 26, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)**

This section of the Sussex-Wantage Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

**Figure A-1
Organization of the School District's Financial Report**

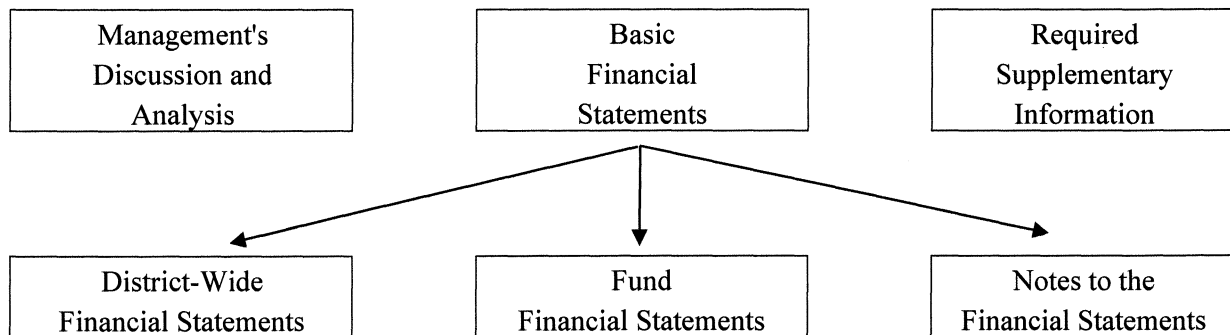


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

Notes to the Basic Financial Statements:

Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District’s combined net position decreased by \$231,212. Net position from governmental activities decreased by \$190,441 and net position from business-type activities decreased by \$40,771. Net investment in capital assets increased by \$290,366, restricted net position decreased by \$837,352, and unrestricted net position increased by \$315,774.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	Change 2018/2019
Assets:							
Current and							
Other Assets	\$ 4,923,112	\$ 5,604,043	\$ 304,777	\$ 335,396	\$ 5,227,889	\$ 5,939,439	
Capital Assets, Net	6,247,652	5,981,976	51,665	26,975	6,299,317	6,008,951	
Total Assets	11,170,764	11,586,019	356,442	362,371	11,527,206	11,948,390	-3.53%
Deferred Outflows of Resources	1,528,373	2,212,040			1,528,373	2,212,040	-30.91%
Liabilities:							
Other Liabilities	497,599	732,543	55,846	21,004	553,445	753,547	
Long-Term Liabilities	6,866,556	8,274,503			6,866,556	8,274,503	
Total Liabilities	7,364,155	9,007,046	55,846	21,004	7,420,001	9,028,050	-17.81%
Deferred Inflows of Resources	2,454,720	1,720,310			2,454,720	1,720,310	42.69%
Net Position:							
Investment in							
Capital Assets	6,247,652	5,981,976	51,665	26,975	6,299,317	6,008,951	
Restricted	3,832,735	4,670,087			3,832,735	4,670,087	
Unrestricted/(Deficit)	(7,200,125)	(7,581,360)	248,931	314,392	(6,951,194)	(7,266,968)	
Total Net Position	\$ 2,880,262	\$ 3,070,703	\$ 300,596	\$ 341,367	\$ 3,180,858	\$ 3,412,070	-6.78%

Changes in Net Position. The District’s combined net position was \$3,180,858 on June 30, 2019, a decrease of \$231,212 or 6.78% less than it was the year before (See Figure A-3). Net Investment in Capital Assets increased by \$290,366 due to the \$772,496 of current year capital assets additions offset by the \$482,130 of depreciation expense. Restricted net position decreased by \$837,352 due to the \$250,000 Board transfer to Capital Reserve and the \$106,295 unexpended balance of the budgeted withdrawal from capital reserve, offset by the decrease in excess surplus of \$287,647 and the budgeted withdrawal from Capital Reserve of \$906,000. The unrestricted net position increased by \$315,774 due primarily to the change in pension related deferred inflows and outflows, the increase in unexpended budget appropriations, as well as the decrease in net pension liability and the net increase in year-end encumbrances.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2018/2019	Business- Type Activities 2018/2019	Governmental Activities 2017/2018	Business- Type Activities 2017/2018	Total School District 2018/2019	Total School District 2017/2018	Percentage Change 2018/2019
Revenue:							
Program Revenue:							
Charges for Services	\$ 125,301	\$ 296,214	\$ 154,008	\$ 295,421	\$ 421,515	\$ 449,429	
Operating Grants and Contributions	9,161,556	173,333	11,274,867	173,179	9,334,889	11,448,046	
General Revenue:							
Property Taxes	15,232,726		15,130,100		15,232,726	15,130,100	
Unrestricted State and Federal Aid	5,971,294		6,164,414		5,971,294	6,164,414	
Other	66,418	322	208,984	295	66,740	209,279	
Total Revenue	30,557,295	469,869	32,932,373	468,895	31,027,164	33,401,268	-7.11%
Expenses:							
Instruction	17,696,511		18,840,033		17,696,511	18,840,033	
Pupil and Instruction Services	5,119,113		5,422,700		5,119,113	5,422,700	
Administrative and Business	2,519,961		2,787,838		2,519,961	2,787,838	
Maintenance and Operations	2,323,621		2,338,916		2,323,621	2,338,916	
Transportation	1,837,694		1,843,522		1,837,694	1,843,522	
Capital Outlay	105,405		48,174		105,405	48,174	
Other	1,222,431	510,640	977,171	497,609	1,733,071	1,474,780	
Total Expenses	30,824,736	510,640	32,258,354	497,609	31,335,376	32,755,963	-4.34%
Other Item:							
Cancellation of Prior Year Interfund Payable	77,000				77,000		100.00%
Increase in Net Position	\$ (190,441)	\$ (40,771)	\$ 674,019	\$ (28,714)	\$ (231,212)	\$ 645,305	-135.83%

Governmental Activities

The financial position of the District decreased in the current year. Maintaining existing programs for regular pupil enrollment and the provision of special programs and services for disabled pupils place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health.

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

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

The net cost shows the financial burden placed on the District's taxpayers by each of the following functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2018/2019</u>	<u>2018/2019</u>	<u>2017/2018</u>	<u>2017/2018</u>
Instruction	\$ 17,696,511	\$ 11,493,506	\$ 18,840,033	\$11,453,822
Pupil and Instruction Services	5,119,113	3,557,740	5,422,700	3,459,003
Administrative and Business	2,519,961	2,139,976	2,787,838	2,136,118
Maintenance and Operations	2,323,621	2,154,757	2,338,916	2,013,107
Transportation	1,837,694	864,064	1,843,522	742,084
Capital Outlay	105,405	105,405	48,174	48,174
Other	1,222,431	1,222,431	977,171	977,171
	<u>\$ 30,824,736</u>	<u>\$ 21,537,879</u>	<u>\$ 32,258,354</u>	<u>\$ 20,829,479</u>

Business-Type Activities

The District's business-type activities decreased by \$40,771. The decrease is due primarily to the increase in Food Service Fund operating expenses not offset by the increase in daily sales in the Food Service Fund. Additionally, there was an operating loss in the Care Program due primarily to a decrease in child care fees, not offset by a decrease in operating expenses.

Financial Analysis of the District's Funds

The District's financial position decreased in the current year primarily due to fund balance utilized to support the budget not offset by unexpended budget appropriations in the General Fund. As the number of low-income students rises, so do the expenditures related to meeting their additional needs. Difficult economic times have had a direct impact upon the District's revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The budget was amended for transfers to prevent over-expenditures of specific line item accounts.

Capital Asset and Long-Term Liabilities

Figure A-6

	Capital Assets (Net of Depreciation)						Percentage Change 2018/2019
	Government Activities		Business-Type Activities		Total School District		
	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	
Buildings and Building Improvements	\$ 5,178,951	\$ 5,027,717			\$ 5,178,951	5,027,717	
Site Improvements	792,183	641,353			792,183	641,353	
Machinery and Equipment	276,518	312,906	\$ 51,665	\$ 26,975	328,183	339,881	
Total Capital Assets (Net of Depreciation)	\$ 6,247,652	\$ 5,981,976	\$ 51,665	\$ 26,975	\$ 6,299,317	\$ 6,008,951	4.83%

During the current fiscal year, the District had capital additions of \$772,496 and depreciated \$482,130 of its capital assets.

Long-term Liabilities

At year-end, the District had \$6,866,556 in long-term liabilities outstanding – a decrease of \$1,407,947 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

	Total School District		Percentage Change
	2018/2019	2017/2018	
	Net Pension Liability	\$ 6,180,850	
Compensated Absences Payable	685,706	615,717	
Total Long-Term Liabilities	\$ 6,866,556	\$ 8,274,503	-17.02%

The District’s long-term liabilities decreased \$1,407,947 or 17.02% due to the decrease in net pension liability of \$1,477,936 offset by the increase in compensated absences payable of \$69,989.

Factors Bearing on the District’s Future

The Sussex-Wantage Regional School District remains financially stable even with continued uncertainty in State funding. The District has maintained programs and class size despite this uncertainty.

The District will continue to look at ways to contain and cut costs in order to keep the School District solvent.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and creditors with a general overview of the School District’s finances and to reflect the School District’s accountability for the money it receives. Questions about this report or additional financial information needs should be directed to Christina Riker, School Business Administrator, Sussex-Wantage Regional Board of Education, 27 Bank Street, Sussex, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,586,365	\$ 311,906	\$ 2,898,271
Interfund Receivable	44,256		44,256
Internal Balances	40,429	(40,429)	
Receivables from State Government	473,589	259	473,848
Receivables from Federal Government	175,821	11,145	186,966
Receivables from Other Governments	50		50
Other Accounts Receivable	24,030	7,474	31,504
Inventories		14,422	14,422
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	1,578,572		1,578,572
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	6,247,652	51,665	6,299,317
Total Assets	11,170,764	356,442	11,527,206
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pensions	1,528,373		1,528,373
Total Deferred Outflows of Resources	1,528,373		1,528,373
LIABILITIES			
Current Liabilities:			
Accounts Payable	415,116	27,353	442,469
Payable to State Government	29,249		29,249
Payable to Federal Government	3,050		3,050
Unearned Revenue	50,184	28,493	78,677
Noncurrent Liabilities:			
Due Within One Year	54,231		54,231
Due Beyond One Year	6,812,325		6,812,325
Total Liabilities	7,364,155	55,846	7,420,001
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pensions	2,454,720		2,454,720
Total Deferred Inflows of Resources	2,454,720		2,454,720
NET POSITION			
Investment in Capital Assets	6,247,652	51,665	6,299,317
Restricted for:			
Capital Reserve	1,578,572		1,578,572
Excess Surplus	2,254,163		2,254,163
Unrestricted/(Deficit)	(7,200,125)	248,931	(6,951,194)
Total Net Position	\$ 2,880,262	\$ 300,596	\$ 3,180,858

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 10,255,051	\$ 46,647	\$ 2,833,509	\$ (7,421,542)		\$ (7,421,542)
Special Education	6,504,414		3,086,734	(3,371,033)		(3,371,033)
Other Special Instruction	644,500		123,299	(521,201)		(521,201)
School Sponsored	292,546		112,816	(179,730)		(179,730)
Support Services:						
Tuition	510,811		336,801	(174,010)		(174,010)
Student and Instruction Related Services	4,608,302		1,224,572	(3,383,730)		(3,383,730)
General Administrative Services	651,284		45,385	(605,899)		(605,899)
School Administrative Services	1,170,361		254,623	(915,738)		(915,738)
Central Services	477,838		60,475	(417,363)		(417,363)
Administrative Information Technology	220,478		19,502	(200,976)		(200,976)
Plant Operations and Maintenance	2,323,621		168,864	(2,154,757)		(2,154,757)
Pupil Transportation	1,837,694	78,654	894,976	(864,064)		(864,064)
Unallocated Depreciation	411,506			(411,506)		(411,506)
Transfer of Funds to Charter School	810,925			(810,925)		(810,925)
Capital Outlay	105,405			(105,405)		(105,405)
Total Governmental Activities	30,824,736	125,301	9,161,556	(21,537,879)		(21,537,879)
Business-Type Activities:						
Food Service	342,788	161,161	173,333		\$ (8,294)	(8,294)
Care Program	167,852	135,053			(32,799)	(32,799)
Total Business-Type Activities	510,640	296,214	173,333		(41,093)	(41,093)
Total Primary Government	\$ 31,335,376	\$ 421,515	\$ 9,334,889	(21,537,879)	(41,093)	(21,578,972)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 15,232,726		\$ 15,232,726
Federal and State Aid not Restricted	5,971,294		5,971,294
Interest Earnings		\$ 322	322
Miscellaneous Income	66,418		66,418
Other Item - Cancellation of Prior Year Interfund Payable	77,000		77,000
Total General Revenues and Other Item	21,347,438	322	21,347,760
Change in Net Position	(190,441)	(40,771)	(231,212)
Net Position - Beginning	3,070,703	341,367	3,412,070
Net Position - Ending	\$ 2,880,262	\$ 300,596	\$ 3,180,858

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

FUND FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,558,728		\$ 27,637	\$ 2,586,365
Interfund Receivable	149,262			149,262
Receivables From State Government	473,589			473,589
Receivables From Federal Government		\$ 175,821		175,821
Receivables From Other Governments	50			50
Other Accounts Receivable	24,030			24,030
Restricted Cash and Cash Equivalents	1,578,572			1,578,572
Total Assets	\$ 4,784,231	\$ 175,821	\$ 27,637	\$ 4,987,689
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 77,014	\$ 35,716		\$ 112,730
Interfund Payable		64,577		64,577
Payable to State Government		29,249		29,249
Payable to Federal Government		3,050		3,050
Unearned Revenue	6,955	43,229		50,184
Total Liabilities	83,969	175,821		259,790
Fund Balances:				
Restricted:				
Excess Surplus - Restricted for 2020-2021	791,669			791,669
Excess Surplus - Restricted for 2019-2020	1,462,494			1,462,494
Capital Reserve Account	1,578,572			1,578,572
Committed			\$ 27,637	27,637
Assigned:				
Year-end Encumbrances	789,987			789,987
Unassigned	77,540			77,540
Total Fund Balances	4,700,262		27,637	4,727,899
Total Liabilities and Fund Balances	\$ 4,784,231	\$ 175,821	\$ 27,637	\$ 4,987,689

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Fund Balances at June 30, 2019	\$ 4,727,899
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	6,247,652
Long-Term Liabilities, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(685,706)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

Total
Governmental
Funds

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.

\$ (6,180,850)

Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:

Deferred Outflows
Deferred Inflows

1,225,987
(2,454,720)

Net Position of Governmental Activities

\$ 2,880,262

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 15,232,726			\$ 15,232,726
Tuition	46,647			46,647
Transportation Fees	78,654			78,654
Miscellaneous	66,418	\$ 2,592		69,010
Total - Local Sources	15,424,445	2,592		15,427,037
State Sources	11,461,718	89,804		11,551,522
Federal Sources	86,889	679,492		766,381
Total Revenues	26,973,052	771,888		27,744,940
EXPENDITURES:				
Current:				
Regular Instruction	5,664,298	131,303		5,795,601
Special Education Instruction	3,455,394	114,954		3,570,348
Other Special Instruction	457,044			457,044
School-Sponsored	93,180			93,180
Support Services and Undistributed Costs:				
Tuition	221,355	289,456		510,811
Student and Other Instruction Related Services	2,592,462	236,175		2,828,637
General Administrative Services	511,463			511,463
School Administrative Services	695,954			695,954
Central Services	317,232			317,232
Administrative Information Technology	168,760			168,760
Plant Operations and Maintenance	1,857,287			1,857,287
Student Transportation	1,575,867			1,575,867
Unallocated Benefits	8,242,289			8,242,289
Capital Outlay	843,381			843,381
Transfer of Funds to Charter School	810,925			810,925
Total Expenditures	27,506,891	771,888		28,278,779
Deficit of Revenue Under Expenditures	(533,839)			(533,839)
Other Financing Sources:				
Cancellation of Prior Year Interfund Payable	77,000			77,000
Total Other Financing Sources	77,000			77,000
Deficit of Revenues and Other Financing Sources Under Expenditures	(456,839)			(456,839)
Fund Balance - July 1	5,157,101		\$ 27,637	5,184,738
Fund Balance - June 30	\$ 4,700,262	\$ -0-	\$ 27,637	\$ 4,727,899

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (456,839)

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

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

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

Depreciation Expense	\$ (472,300)	
Capital Outlays	<u>737,976</u>	265,676

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

Change in Net Pension Liability	1,477,936
Change in Deferred Outflows	(672,815)
Change in Deferred Inflows	(734,410)

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

(69,989)

Change in net position of governmental activities (A-2)

\$ (190,441)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Care Program</u>	
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 151,715	\$ 160,191	\$ 311,906
Intergovernmental Accounts Receivable:			
State	259		259
Federal	11,145		11,145
Other Accounts Receivable	7,474		7,474
Inventories	14,422		14,422
Total Current Assets	<u>185,015</u>	<u>160,191</u>	<u>345,206</u>
Non-Current Assets:			
Capital Assets	239,913		239,913
Accumulated depreciation	(188,248)		(188,248)
Total Non-Current Assets	<u>51,665</u>		<u>51,665</u>
Total Assets	<u>236,680</u>	<u>160,191</u>	<u>396,871</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Vendors	19,008		19,008
Accounts Payable - Other		8,345	8,345
Interfund Payable	40,429		40,429
Unearned Revenue - Donated Commodities	4,885		4,885
Unearned Revenue - Prepaid Sales/Fees	2,859	20,749	23,608
Total Current Liabilities	<u>67,181</u>	<u>29,094</u>	<u>96,275</u>
NET POSITION:			
Investment in Capital Assets	51,665		51,665
Unrestricted	117,834	131,097	248,931
Total Net Position	<u>\$ 169,499</u>	<u>\$ 131,097</u>	<u>\$ 300,596</u>

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Food Service	Care Program	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 127,317		\$ 127,317
Daily Sales - Non Reimbursable Programs	33,844		33,844
Child Care Fees		\$ 135,053	135,053
Total Operating Revenue	<u>161,161</u>	<u>135,053</u>	<u>296,214</u>
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	124,789		124,789
Cost of Goods Sold - Non-Reimbursable Programs	33,172		33,172
Salaries	113,707	151,540	265,247
Employee Benefits and Payroll Taxes	28,748		28,748
Purchased Services	13,715	11,224	24,939
Supplies and Materials	18,827	4,514	23,341
Depreciation	9,830		9,830
Other		574	574
Total Operating Expenses	<u>342,788</u>	<u>167,852</u>	<u>510,640</u>
Operating Loss	<u>(181,627)</u>	<u>(32,799)</u>	<u>(214,426)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	3,434		3,434
Federal Sources:			
National School Lunch Program	117,622		117,622
School Breakfast Program	26,066		26,066
Food Distribution Program	26,211		26,211
Local Sources:			
Interest Revenue	322		322
Total Non-Operating Revenue	<u>173,655</u>		<u>173,655</u>
Change in Net Position	(7,972)	(32,799)	(40,771)
Net Position - Beginning of Year	<u>177,471</u>	<u>163,896</u>	<u>341,367</u>
Net Position - End of Year	<u>\$ 169,499</u>	<u>\$ 131,097</u>	<u>\$ 300,596</u>

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>		
	<u>Food Service</u>	<u>Care Program</u>	<u>Total</u>
Cash Flows for Operating Activities:			
Receipts from Customers	\$ 161,744	\$ 142,009	\$ 303,753
Payments for Salaries, Payroll Taxes and Benefits	(142,455)	(143,195)	(285,650)
Payments to Suppliers	(106,583)	(23,547)	(130,130)
Net Cash Used for Operating Activities	<u>(87,294)</u>	<u>(24,733)</u>	<u>(112,027)</u>
Cash Flows Used for Capital Financing Activities:			
Acquisition of Equipment	(34,520)		(34,520)
Net Cash Used for Capital Financing Activities	<u>(34,520)</u>		<u>(34,520)</u>
Cash Flows for Noncapital Financing Activities:			
Federal and State Sources Received in Food Service Fund	148,880		148,880
Net Cash Provided by Noncapital Financing Activities	<u>148,880</u>		<u>148,880</u>
Cash Flows from Investing Activities:			
Interest on Investments	322		322
Net Cash Provided by Investing Activities	<u>322</u>		<u>322</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	27,388	(24,733)	2,655
Cash and Cash Equivalents, July 1	124,327	184,924	309,251
Cash and Cash Equivalents, June 30	<u>\$ 151,715</u>	<u>\$ 160,191</u>	<u>\$ 311,906</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	\$ (181,627)	\$ (32,799)	\$ (214,426)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	9,830		9,830
Food Distribution Program	26,211		26,211
Changes in Assets and Liabilities:			
Decrease in Inventory	2,565		2,565
(Increase) in Other Accounts Receivable	(1,965)		(1,965)
Increase in Accounts Payable	18,508	1,110	19,618
(Decrease) in Unearned Revenue - Donated Commodities	(457)		(457)
Increase in Unearned Revenue - Prepaid Sales/Fees	583	15,098	15,681
Increase/(Decrease) in Interfund Payable	39,058	(8,142)	30,916
Net Cash Used for Operating Activities	<u>\$ (87,294)</u>	<u>\$ (24,733)</u>	<u>\$ (112,027)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,754 and utilized commodities valued at \$26,211 for the fiscal year ended June 30, 2019.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency	Unemployment Compensation Trust
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 956,173	\$ 514,531
Total Assets	956,173	514,531
<u>LIABILITIES:</u>		
Payroll Deductions and Withholdings	165,878	
Interfund Payable - General Fund	44,256	
Accrued Salaries and Wages	638,700	
Due to Student Groups	107,339	
Total Liabilities	956,173	
<u>NET POSITION:</u>		
Held in Trust for Unemployment Claims		514,531
Total Net Position	\$ -0-	\$ 514,531

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee Contributions	\$ 68,448
Total Contributions	<u>68,448</u>
Investment Earnings:	
Interest	1,004
Net Investment Earnings	<u>1,004</u>
Total Additions	<u>69,452</u>
DEDUCTIONS:	
Quarterly Contribution Reports/Unemployment Claims	46,788
Total Deductions	<u>46,788</u>
Change in Net Position Before Other Item	22,664
Other Item:	
Cancellation of Prior Year Interfund Receivable	77,000
Total Other Items	<u>77,000</u>
Change in Net Position	(54,336)
Net Position - Beginning of the Year	<u>568,867</u>
Net Position - End of the Year	<u>\$ 514,531</u>

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

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

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

B. Basis of Presentation (Cont'd)

election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and the Unemployment Compensation Trust Fund.

C. Measurement Focus and Basis of Accounting

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for fiscal year ending June 30, 2019 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 26,957,382	\$ 751,492
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		31,571
Current Year Encumbrances		(11,175)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	762,712	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(747,042)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 26,973,052</u>	<u>\$ 771,888</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 27,506,891	\$ 751,492
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Prior Year Encumbrances		31,571
Current Year Encumbrances		<u>(11,175)</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 27,506,891</u>	<u>\$ 771,888</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

E. Cash and Cash Equivalents and Investments

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

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

	Estimated Useful Life
Buildings and Building Improvements	40 years
Site Improvements	20 years
Machinery and Equipment	10 to 12 years

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

K. Capital Assets: (Cont'd)

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts are amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2019, the amount earned by these employees but not disbursed was \$638,700.

N. Compensated Absences

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

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

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

O. Unearned Revenue

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

P. Fund Balance Appropriated:

General Fund: Of the \$4,700,262 General Fund fund balance at June 30, 2019, \$1,578,572 is restricted in a capital reserve; \$1,462,494 is restricted as prior year excess surplus which has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2020; \$791,669 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2021; and \$789,987 is assigned for year-end encumbrances.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Additionally, there is \$77,540 of unassigned fund balance which is \$747,042 less than the actual year-end unassigned fund balance, on a GAAP Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2020.

Capital Projects Fund: The entire \$27,637 fund balance at June 30, 2019 is committed for other purposes.

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

Unassigned General Fund fund balance is \$747,042 less on a GAAP basis than budgetary basis as of June 30, 2019 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record these state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB 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 two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2019 related to pensions.

The District had deferred inflows of resources at June 30, 2019 related to pensions.

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition,

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Q. Net Position: (Cont'd)

construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

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

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

R. Deficit Net Position

There is a deficit in unrestricted governmental activities net position of \$7,200,125 which is primarily a result of compensated absences payable, net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus and a capital reserve in the General Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources at June 30, 2019 in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund at June 30, 2019 for year-end encumbrances.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of 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 grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and Care Program fees. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

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

W. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

W. Pensions: (Cont'd)

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

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

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

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

Deposits:

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

Deposits: (Cont'd)

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund establish pursuant to section 1 of P.L. 1977,C.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2019, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital Reserve</u>	<u>Total</u>
Checking Accounts	<u>\$ 4,368,975</u>	<u>\$ 1,578,572</u>	<u>\$ 5,947,547</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was \$5,947,547 and the bank balance was \$6,383,793.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account in the amount of \$400,000 was established by Board resolution on June 26, 2013 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2018	\$2,128,277
Deposit - Board Resolution June 26, 2019	250,000
Unexpended Balance of Budgeted Withdrawal	<u>106,295</u>
	2,484,572
Budgeted Withdrawal	<u>(906,000)</u>
Ending Balance, June 30, 2019	<u><u>\$1,578,572</u></u>

The balance in the capital reserve at June 30, 2019 did not exceed the balance of local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District’s LRFP.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 10,603,897	\$ 506,130		\$ 11,110,027
Site Improvements	860,430	207,440		1,067,870
Machinery and Equipment	1,832,403	24,406		1,856,809
Total Capital Assets Being Depreciated	<u>13,296,730</u>	<u>737,976</u>		<u>14,034,706</u>
Governmental Activities Capital Assets	<u>13,296,730</u>	<u>737,976</u>		<u>14,034,706</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(5,576,180)	(354,896)		(5,931,076)
Site Improvements	(219,077)	(56,610)		(275,687)
Machinery and Equipment	(1,519,497)	(60,794)		(1,580,291)
	<u>(7,314,754)</u>	<u>(472,300)</u>		<u>(7,787,054)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,981,976</u>	<u>\$ 265,676</u>	<u>\$ -0-</u>	<u>\$ 6,247,652</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 205,393	\$ 34,520		\$ 239,913
Less Accumulated Depreciation	<u>(178,418)</u>	<u>(9,830)</u>		<u>(188,248)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 26,975</u>	<u>\$ 24,690</u>	<u>\$ -0-</u>	<u>\$ 51,665</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 5,889
Student and Instruction Related Services	1,184
General Administrative Services	10,934
School Administrative Services	6,299
Central Services	232
Plant Operations and Maintenance	15,866
Pupil Transportation	20,390
Unallocated	<u>411,506</u>
	<u>\$ 472,300</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2019, the District transferred a net amount of \$24,591 to the capital outlay accounts for equipment which did not require county superintendent approval.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2018	Accrued	Retired	Balance 6/30/2019
Compensated Absences Payable	\$ 615,717	\$ 69,989		\$ 685,706
Net Pension Liability	<u>7,658,786</u>		<u>\$ 1,477,936</u>	<u>6,180,850</u>
	<u>\$ 8,274,503</u>	<u>\$ 69,989</u>	<u>\$ 1,477,936</u>	<u>\$ 6,866,556</u>

A. Bonds Authorized But Not Issued / Bonds Payable:

As of June 30, 2019, the District has no bonds authorized but not issued or bonded debt outstanding.

B. Capital Leases Payable:

As of June 30, 2019, the District has no capital leases payable.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is \$685,706. The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. The current portion is \$54,231 and \$631,475 is the long-term portion. The General Fund will be used to liquidate the Compensated Absences Payable.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Compensated Absences Payable: (Cont'd)

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 Enterprise Funds.

D. Operating Lease Payable:

The District has a commitment to lease copiers under an operating lease which expires in 2022. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2020	\$ 35,628
June 30, 2021	35,628
June 30, 2022	<u>29,690</u>
 Total future minimum lease payments	 <u>\$ 100,946</u>

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2019 is \$-0- and the long-term portion is \$6,180,850. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$319,628 for fiscal year 2019.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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

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

At June 30, 2019, the District reported a liability of \$6,180,850 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 July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.0314%, which was a decrease of 0.001509% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized pension expense of \$241,546. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 48,922	
	2015	5.72	220,804	
	2016	5.57	748,776	
	2017	5.48		\$ 1,139,393
	2018	5.63		836,914
			<u>1,018,502</u>	<u>1,976,307</u>
Changes in Proportion	2014	6.44		99,082
	2015	5.72		9,547
	2016	5.57	78,297	
	2017	5.48	11,318	
	2018	5.63		279,937
			<u>89,615</u>	<u>388,566</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5		(37,349)
	2016	5		(208,799)
	2017	5		187,930
	2018	5		116,195
				<u>57,977</u>
Difference Between Expected and Actual Experience	2015	5.72	61,261	
	2016	5.57	22,723	
	2017	5.48	33,886	
	2018	5.63		31,870
			<u>117,870</u>	<u>31,870</u>
District Contribution Subsequent to the Measurement Date	2018	1	<u>302,386</u>	
			<u>\$ 1,528,373</u>	<u>\$ 2,454,720</u>

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2019	\$ 42,899
2020	(59,393)
2021	(425,898)
2022	(369,175)
2023	(118,215)
	\$ (929,782)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date 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 actuarial assumptions, applied to all periods 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 Pre-retirement Mortality Table for male and female active participants. 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. 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 a generational approach based on the Conduent modified 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 one 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 the experience deviates, the larger the impact on future financial statements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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 PERS' 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 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 Market 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 upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate (Cont'd)

assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, 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 collective net pension liability as of June 30, 2018 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 7,771,706	\$ 6,180,850	\$ 4,846,223

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2019, the State of New Jersey contributed \$1,878,255 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,642,256.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$62,478,128. 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 July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.098%, which was a decrease of .000006% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	62,478,128
Total	<u>\$ 62,478,128</u>

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$3,642,256 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		\$ 10,084,192,916
	2018	8.29		5,994,557,085
			<u>11,053,759,853</u>	<u>16,078,750,001</u>
Difference Between Expected and Actual Experience	2014	8.5		10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2018	8.29	1,051,605,259	
			<u>1,420,239,017</u>	<u>96,229,812</u>
Net Difference Between Projected and Actual	2015	5		(192,642,062)
Investment Earnings on Pension Plan Investments	2016	5		(863,710,381)
	2017	5		678,024,787
	2018	5		384,121,486
				<u>5,793,830</u>
			<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	\$ (3,706,774,773)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date 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 actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	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. Disabled 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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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 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 Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

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 3.87% 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 upon the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the pension 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 pension 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 State's proportionate share of the net pension liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate

	June 30, 2018		
	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 73,847,961	\$ 62,478,128	\$ 53,052,814

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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

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

For DCRP, the District recognized pension expense of \$25,156 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$46,117 for the fiscal year ended June 30, 2019.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. 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. Health benefits are provided through Horizon Blue Cross/Blue Shield of NJ.

Property and Liability Insurance

The Sussex-Wantage Regional School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

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

Selected, summarized financial information for the Fund as of June 30, 2019 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ <u>48,410,942</u>
Net Position	\$ <u>18,917,987</u>
Total Revenue	\$ <u>41,974,396</u>
Total Expenses	\$ <u>35,489,346</u>
Change in Net Position	\$ <u>6,485,050</u>
Member Dividends	\$ <u>-0-</u>

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

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, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Cancel Prior Year Interfund-District Contribution</u>	<u>Ending Balance</u>
2018-2019		\$ 1,004	\$ 68,448	\$ 46,788	\$ 77,000	\$ 514,531
2017-2018	\$ 100,000	782	61,652	58,575		568,867
2016-2017	100,000	526	102,556	42,939		465,008

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 149,262	
Special Revenue Fund		\$ 64,577
Food Service Fund		40,429
Payroll Agency Fund		44,256
	<u>\$ 149,262</u>	<u>\$ 149,262</u>

The interfund receivable in the General Fund due from the Payroll Agency Fund relates to interest earnings and other amounts due from the payroll accounts to the General Fund and the interfund receivable in the General Fund due from the Special Revenue Fund represents the negative cash balance in the Special Revenue Fund due to the timing difference between expenditure and reimbursement of grant funds from the State of New Jersey.

The interfund payable in the Food Service Fund due to the General Fund is for equipment purchases and repairs paid by the General Fund on behalf of the Food Service Fund in the prior year and the current year, offset by current year subsidy claim reimbursements received in the General Fund and not turned over to the Food Service Fund.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

The 403(b) plan administrators are as follows:

Variable Annuity Life (VALIC)	Lincoln Investment Planning
Equitable Life Insurance Company	Lincoln National Life
Metropolitan Life Insurance Company	Security Benefit Corp.

Equitable Life Insurance Company is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 13. TAX CALENDAR

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

Taxes are collected by the constituent municipalities and are remitted to the local school district on predetermined mutually agreed-upon schedules.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 789,987	\$ 11,175	\$ 801,162

On the District's Governmental Funds Balance Sheet as of June 30, 2019, \$789,987 is assigned for year-end encumbrances in the General Fund. On the District's Governmental Funds Balance Sheet as of June 30, 2019, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$11,175 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 15. ACCOUNTS PAYABLE

	Governmental Funds		District Contri- bution Subsequent to the Measure- ment Date	Total	Business-Type Activities
	General Fund	Special Revenue Fund		Governmental Activities	Proprietary Funds
Salaries	\$ 14,789			\$ 14,789	\$ 8,345
Vendors	62,225	\$ 35,716		97,941	19,008
Due to State of New Jersey			\$ 302,386	302,386	
	\$ 77,014	\$ 35,716	\$ 302,386	\$ 415,116	\$ 27,353

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	217,131
Total	362,181

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15%
	based on years of service	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%
	based on years of service	based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

	Total OPEB Liability
Balance at June 30, 2017	\$ 65,767,184
Changes for Year:	
Service Cost	1,948,967
Interest on the Total OPEB Liability	2,398,940
Changes of Assumptions	(6,338,186)
Differences between Expected and Actual Experience	(7,118,728)
Gross Benefit Payments by the State	(1,476,893)
Contributions from Members	51,044
Net Changes	(10,534,856)
Balance at June 30, 2018	\$ 55,232,328

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 65,295,855	\$ 55,232,328	\$ 47,232,863

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 45,652,736	\$ 55,232,328	\$ 67,901,705

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$1,918,162 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (7,778,021)
Changes in Assumptions	2018	9.51		(4,602,588)
			-0-	(12,380,609)
Differences between Expected and Actual Experience	2018	9.51		(5,361,531)
Changes in Proportion	N/A	N/A		(1,714,975)
			\$ -0-	\$ (19,457,115)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding employer specific amounts for changes in proportion) will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2019	\$ (2,186,277)
2020	(2,186,277)
2021	(2,186,277)
2022	(2,186,277)
2023	(2,186,277)
Thereafter	(6,810,753)
	\$ (17,742,140)

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0321296257%	0.0319647358%	0.0328190778%	0.0329008244%	0.0313916000%
District's proportionate share of the net pension liability	\$ 6,015,545	\$ 7,175,443	\$ 9,720,070	\$ 7,658,786	\$ 6,180,850
District's covered employee payroll	\$ 2,161,316	\$ 2,205,424	\$ 2,271,942	\$ 2,171,489	\$ 2,139,147
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	278.33%	325.35%	427.83%	352.70%	288.94%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 264,872	\$ 274,811	\$ 292,386	\$ 307,366	\$ 319,628
Contributions in relation to the contractually required contribution	(264,872)	(274,811)	(292,386)	(307,366)	(319,628)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,117,207	\$ 2,161,316	\$ 2,205,424	\$ 2,271,942	\$ 2,171,489
Contributions as a percentage of covered employee payroll	12.51%	12.71%	13.26%	13.53%	14.72%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.0987102624%	0.0990234474%	0.0967929031%	0.0982149259%	0.0982084846%
State's proportionate share of the net pension liability attributable to the District	\$ 52,757,423	\$ 62,587,047	\$ 76,143,460	\$ 66,220,045	\$ 62,478,128
District's covered employee payroll	\$ 9,723,839	\$ 9,630,467	\$ 10,159,774	\$ 10,058,856	\$ 9,863,448
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	542.56%	649.89%	749.46%	658.33%	633.43%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 2,838,845	\$ 3,821,503	\$ 5,721,122	\$ 4,587,389	\$ 3,642,256
Contributions in relation to the contractually required contribution	(535,357)	(774,962)	(1,066,097)	(1,446,265)	(1,878,255)
Contribution deficiency/(excess)	<u>\$ 2,303,488</u>	<u>\$ 3,046,541</u>	<u>\$ 4,655,025</u>	<u>\$ 3,141,124</u>	<u>\$ 1,764,001</u>
District's covered employee payroll	9,723,839	9,630,467	10,159,774	10,058,856	9,863,448
Contributions as a percentage of covered employee payroll	5.51%	8.05%	10.49%	14.38%	19.04%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Years Ending	
	June 30, 2017	June 30, 2018
Service Cost	\$ 2,341,403	\$ 1,948,967
Interest Cost	2,074,882	2,398,940
Changes in Assumptions	(8,371,803)	(6,338,186)
Differences between Expected and Actual Experience		(7,118,728)
Member Contributions	56,092	51,044
Gross Benefit Payments	(1,523,308)	(1,476,893)
Net Change in Total OPEB Liability	(5,422,734)	(10,534,856)
Total OPEB Liability - Beginning	71,189,918	65,767,184
Total OPEB Liability - Ending	\$ 65,767,184	\$ 55,232,328
District's Covered Employee Payroll *	\$ 12,431,716	\$ 12,230,345
Total OPEB Liability as a Percentage of Covered Employee Payroll	529%	452%

* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 census data.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. 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 plan actuary's modified MP-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 the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. 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 one year for females).

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. 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. 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 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 one year for females).

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

B.TEACHERS' PENSION AND ANNUITY FUND

Changes of Actuarial Assumptions (Cont'd)

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The mortality rates utilized in the July 1, 2017 valuation were as follows: 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. Disabled 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.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BUDGETARY COMPARISON SCHEDULES

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

REVENUES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Local Sources:					
Local Tax Levy	\$ 15,232,726		\$ 15,232,726	\$ 15,232,726	
Tuition from Other LEAs			85,991	46,647	\$ 46,647
Transportation Fees	85,991		85,991	78,654	(7,337)
Unrestricted Miscellaneous Revenues	50,000		50,000	66,418	16,418
Total - Local Sources	<u>15,368,717</u>		<u>15,368,717</u>	<u>15,424,445</u>	<u>55,728</u>
State Sources:					
Extraordinary Aid	43,933		43,933	373,105	329,172
Prior Year Extraordinary Aid				168	168
Categorical Special Education Aid	833,307		833,307	833,307	
School Choice Aid	39,713		39,713	39,713	
Equalization Aid	5,670,481		5,670,481	5,670,481	
Categorical Security Aid	155,733		155,733	155,733	
Adjustment Aid	271,540	\$ (271,540)			
	824,394	(39,612)	784,782	784,782	
Non Public Transportation Aid				15,620	15,620
Homeless Tuition Reimbursement				47,345	47,345
On-Behalf TPAF Pension Contributions (non-budgeted)				1,878,255	1,878,255
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				39,317	39,317
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				869,808	869,808
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				2,214	2,214
Reimbursed TPAF Social Security Contributions (non-budgeted)				736,200	736,200
Total State Sources	<u>7,839,101</u>	<u>(311,152)</u>	<u>7,527,949</u>	<u>11,446,048</u>	<u>3,918,099</u>
Federal Sources:					
Medicaid Reimbursement	31,840		31,840	86,889	55,049
Total Federal Sources	<u>31,840</u>		<u>31,840</u>	<u>86,889</u>	<u>55,049</u>
TOTAL REVENUES	<u>23,239,658</u>	<u>(311,152)</u>	<u>22,928,506</u>	<u>26,957,382</u>	<u>4,028,876</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 399,377		\$ 399,377	\$ 398,990	\$ 387
Grades 1-5 - Salaries of Teachers	2,849,981	\$ (52,458)	2,797,523	2,794,585	2,938
Grades 6-8 - Salaries of Teachers	1,830,595	(13,834)	1,816,761	1,816,641	120
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(7,086)	7,914		7,914
Purchased Professional - Educational Services	7,500	(2,095)	5,405	1,671	3,734
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	241,330	1,789	243,119	225,272	17,847
Purchased Professional - Educational Services	65,156	2,756	67,912	65,912	2,000
Purchased Technical Services	5,150		5,150	918	4,232
Other Purchased Services (400-500 Series)	10,282	(4,665)	5,617	4,472	1,145
General Supplies	464,119	(198,745)	265,374	213,349	52,025
Textbooks	119,525	(4,631)	114,894	111,054	3,840
Other Objects	31,434		31,434	31,434	
Total Regular Programs - Instruction	6,039,449	(278,969)	5,760,480	5,664,298	96,182
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	221,994	2,289	224,283	224,283	
Other Salaries for Instruction	181,152	9,486	190,638	189,602	1,036
General Supplies	5,050	(207)	4,843	3,804	1,039
Textbooks	300	(207)	93		93
Total Learning and/or Language Disabilities	408,496	11,361	419,857	417,689	2,168

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 245,322	\$ 41,312	\$ 286,634	\$ 286,634	
Other Salaries for Instruction	413,652	(30,487)	383,165	381,952	\$ 1,213
General Supplies	6,309	1,176	7,485	6,178	1,307
Total Multiple Disabilities	665,283	12,001	677,284	674,764	2,520
Resource Room/Resource Center:					
Salaries of Teachers	1,619,011	(26,039)	1,592,972	1,592,972	
Other Salaries for Instruction	45,508	71,600	117,108	117,108	
General Supplies	13,845	(2,734)	11,111	10,711	400
Textbooks	1,000	(1,000)			
Total Resource Room/Resource Center	1,679,364	41,827	1,721,191	1,720,791	400
Autism:					
Salaries of Teachers	125,991	375	126,366	126,366	
Other Salaries for Instruction	161,640	36,721	198,361	198,361	
General Supplies	2,700	(375)	2,325	1,586	739
Total Autism	290,331	36,721	327,052	326,313	739
Preschool Handicapped - Part Time:					
Salaries of Teachers	146,086	30,894	176,980	176,805	175
Other Salaries for Instruction	91,804	37,010	128,814	128,814	
General Supplies	4,350	(3,165)	1,185	779	406
Total Preschool Handicapped - Part Time	242,240	64,739	306,979	306,398	581
Home Instruction:					
Salaries of Teachers	5,000	4,848	9,848	9,439	409
Total Home Instruction	5,000	4,848	9,848	9,439	409
Total Special Education Instruction	3,290,714	171,497	3,462,211	3,455,394	6,817

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 202,462	\$ (2,849)	\$ 199,613	\$ 196,420	\$ 3,193
General Supplies	4,300		4,300	2,093	2,207
Total Basic Skills/Remedial - Instruction	206,762	(2,849)	203,913	198,513	5,400
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	90,980	(2,508)	88,472	88,252	220
Purchased Services (300-500 Series)	13,000	(5,670)	7,330	2,950	4,380
Supplies and Materials	17,492	(10,847)	6,645	1,978	4,667
Total School-Sponsored Cocurricular Activities - Instruction	121,472	(19,025)	102,447	93,180	9,267
Other Supplemental At Risk Programs Instruction					
Salaries of Reading Specialists	109,166	750	109,916	109,916	
Purchased Professional & Technical Services	84,753	373	85,126	85,126	
Total Other Supplemental At risk Programs Instruction	193,919	1,123	195,042	195,042	
Other Alternative Education Programs Instruction					
Salaries of Teachers	73,803	(9,074)	64,729	62,881	1,848
General Supplies	2,300	(1,123)	1,177	608	569
Total Other Alternative Education Programs Instruction	76,103	(10,197)	65,906	63,489	2,417
Total Instruction	9,928,419	(138,420)	9,789,999	9,669,916	120,083
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	109,205	68,304	177,509	177,509	
Tuition to Private Schools for the Handicapped - Within State	129,865	(3,060)	126,805	43,846	82,959
Total Undistributed Expenditures - Instruction:	239,070	65,244	304,314	221,355	82,959
Attendance and Social Work:					
Salaries of Drop-Out Prevention Officer/Coordinator	2,500		2,500	245	2,255
Total Attendance and Social Work	2,500		2,500	245	2,255

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 282,238	\$ (13,842)	\$ 268,396	\$ 236,931	\$ 31,465
Purchased Professional and Technical Services	2,500		2,500	5,000	2,500
Other Purchased Services (400-500 Series)	5,000		5,000	8,772	4,176
Supplies and Materials	12,948		12,948	206	4,844
Other Objects	5,050		5,050		
Total Health Services	307,736	(13,842)	293,894	250,909	42,985
Speech, OT, PT and Related Services:					
Salaries	454,328	10,398	464,726	464,726	
Purchased Professional - Educational Services	135,400	(51,713)	83,687	59,693	23,994
Supplies and Materials	4,675	850	5,525	5,369	156
Total Speech, OT, PT and Related Services	594,403	(40,465)	553,938	529,788	24,150
Other Support Services - Guidance:					
Salaries of Other Professional Staff	231,939	207	232,146	232,146	
Total Other Support Services - Guidance	231,939	207	232,146	232,146	
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	908,985	4,831	913,816	913,816	
Salaries of Secretarial and Clerical Assistants	119,360		119,360	119,360	
Purchased Professional - Educational Services	20,775	(1,000)	19,775	19,775	
Total Other Support Services - Child Study Team	1,049,120	3,831	1,052,951	1,052,951	
Educational Media Services/School Library:					
Salaries	208,724	477	209,201	209,196	5
Salaries of Technology Coordinators	96,131		96,131	82,989	13,142
Supplies and Materials	31,162	(207)	30,955	24,358	6,597
Total Educational Media Services/School Library	336,017	270	336,287	316,543	19,744

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 143,546	\$ (21,532)	\$ 122,014	\$ 119,590	\$ 2,424
Salaries of Secretarial and Clerical Assistants	84,967	20,305	20,305	19,290	1,015
Purchased Professional - Educational Services	6,080	(64)	84,967	66,677	18,290
Supplies and Materials	1,875	64	6,016	2,623	3,393
Other Objects			1,939	1,700	239
Total Instructional Staff Training Services	236,468	(1,227)	235,241	209,880	25,361
Support Services - General Administration:					
Salaries	206,654	21,532	228,186	227,579	607
Legal Services	45,000	25,949	70,949	64,908	6,041
Audit Fees	67,500	(3,750)	63,750	31,000	32,750
Architectural/Engineering Services	6,224	(6,224)			
Other Purchased Professional Services	33,750	2,838	36,588	36,588	
Purchased Technical Services	6,700	(1,191)	5,509	4,461	1,048
Communications/Telephone	65,000	6,808	71,808	68,934	2,874
Other Purchased Services (400-500 Series)	36,464	5,823	42,287	42,286	1
General Supplies	5,000	(3,232)	1,768	1,438	330
BOE In-house Training/Meeting Supplies	500	(500)			
Judgements Against the School District	17,108	(385)	16,723	7,276	9,447
Miscellaneous Expenditures	16,500	(1,237)	15,263	15,263	
BOE Membership Dues and Fees	12,000		12,000	11,730	270
Total Support Services - General Administration	518,400	46,431	564,831	511,463	53,368
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	428,163	(22,249)	405,914	396,717	9,197
Salaries of Secretarial and Clerical Assistants	255,590		255,590	250,036	5,554
Supplies and Materials	27,938	(1,669)	26,269	23,406	2,863
Other Objects	24,705	1,669	26,374	25,795	579
Total Support Services - School Administration	736,396	(22,249)	714,147	695,954	18,193

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 302,512	\$ 1,250	\$ 303,762	\$ 303,244	\$ 518
Purchased Professional Services	9,000	1,450	10,450	6,314	4,136
Supplies and Materials	5,555	879	6,434	6,434	
Miscellaneous Expenditures	1,500	1,801	3,301	1,240	2,061
Total Central Services	318,567	5,380	323,947	317,232	6,715
Administrative Information Technology:					
Salaries	96,790	999	97,789	97,789	
Purchased Professional Services	97,807	7,236	105,043	56,545	48,498
Supplies and Materials	12,767	2,598	15,365	14,426	939
Other Objects	9,000	(9,000)			
Total Administrative Information Technology	216,364	1,833	218,197	168,760	49,437
Required Maintenance of School Facilities:					
Salaries	348,224	(9,000)	339,224	306,612	32,612
Cleaning, Repair and Maintenance Services	116,855	39,750	156,605	153,199	3,406
General Supplies	84,415	(39,750)	44,665	33,543	11,122
Total Required Maintenance of School Facilities	549,494	(9,000)	540,494	493,354	47,140
Custodial Services:					
Salaries	404,639	35,199	439,838	430,967	8,871
Salaries of Non-Instructional Aides	53,106	(53,106)			
Cleaning, Repair and Maintenance Services	270,370	(63,974)	206,396	188,304	18,092
Other Purchased Property Services	126,140		126,140	80,252	45,888
Insurance	131,380	768	132,148	132,147	1
Miscellaneous Purchased Services	91,225		91,225	82,131	9,094
General Supplies	59,158		59,158	45,601	13,557
Energy (Electricity)	166,400	8,000	174,400	162,692	11,708
Energy (Natural Gas)	160,000		160,000	112,549	47,451
Other Objects	15,060		15,060	8,332	6,728
Total Custodial Services	1,477,478	(73,113)	1,404,365	1,242,975	161,390

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Salaries	\$ 136,080	\$ (20,000)	\$ 116,080	\$ 109,169	\$ 6,911
Other Purchased Professional and Technical Services	10,000	4,608	14,608	8,588	6,020
General Supplies	3,000	392	3,392	3,201	191
Other Objects	500	500	1,000		1,000
Total Security	149,580	(14,500)	135,080	120,958	14,122
Student Transportation Services:					
Salaries of Non-Instructional Aides	109,809	350,793	460,602	456,518	4,084
Salaries for Pupil Transportation (Between Home & School) - Regular	341,879	(341,879)			
Other Purchased Professional and Technical Services	7,500	(1,000)	6,500	3,992	2,508
Cleaning, Repair and Maintenance Services	40,000	4,043	44,043	44,043	
Rental Payments - School Buses	10,000	(2,043)	7,957		7,957
Contracted Services:					
Between Home and School - Vendors	639,319		639,319	638,468	851
Other Between Home and School - Vendors	72,708	6,758	79,466	77,651	1,815
Between Home and School - Joint Agreements	27,111		27,111	25,017	2,094
Special Education Students - Joint Agreements	284,568	(55,552)	229,016	192,574	36,442
Aid in Lieu Payments - Nonpublic School	26,520	6,480	33,000	32,261	739
Transportation Supplies	85,000		85,000	69,549	15,451
Other Objects	60,570		60,570	35,794	24,776
Total Student Transportation Services	1,704,984	(32,400)	1,672,584	1,575,867	96,717
Unallocated Benefits:					
Social Security Contributions	350,000	(30,807)	319,193	319,193	
Other Retirement Contribution - PERS	316,201	3,427	319,628	319,628	
Unemployment Compensation	75,000	(75,000)			
Workmen's Compensation	207,358	(15,146)	192,212	192,212	
Health Benefits	3,739,369	57,301	3,796,670	3,796,670	
Tuition Reimbursement	62,000	(11,659)	50,341	45,822	4,519
Other Employee Benefits	37,250	39,352	76,602	42,970	33,632
Unused Sick Payments to Terminated/Retired Staff	37,403	(37,403)			
Total Unallocated Benefits	4,824,581	(69,935)	4,754,646	4,716,495	38,151

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf and Reimbursed Benefits:					
On-Behalf TPAF Pension Contributions (non-budgeted)				\$ 1,878,255	\$ (1,878,255)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				39,317	(39,317)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				869,808	(869,808)
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				2,214	(2,214)
Reimbursed TPAF Social Security Contributions (non-budgeted)				736,200	(736,200)
Total On-Behalf and Reimbursed Benefits				3,525,794	(3,525,794)
Total Undistributed Expenses	\$ 13,493,097	\$ (153,535)	\$ 13,339,562	16,182,669	(2,843,107)
TOTAL GENERAL CURRENT EXPENSE	23,421,516	(291,955)	23,129,561	25,852,585	(2,723,024)
CAPITAL OUTLAY:					
Equipment:					
School Administration		18,000	18,000	18,000	
Central Services		21,188	21,188		21,188
Administrative Information Technology	42,000	(14,597)	27,403	19,853	7,550
Required Maintenance for School Facilities	8,000		8,000	4,550	3,450
Total Equipment	50,000	24,591	74,591	42,403	32,188
Facilities Acquisition and Construction Services:					
Construction Services	1,491,014	18,168	1,509,182	694,713	814,469
Other Purchased Professional/Technical Services	80,000	91,008	171,008	104,992	66,016
Architectural/Engineering Services	109,176	(109,176)			
Assessment for Debt Service on SDA Funding	1,273		1,273	1,273	
Total Facilities Acquisition and Construction Services	1,681,463		1,681,463	800,978	880,485
TOTAL CAPITAL OUTLAY	1,731,463	24,591	1,756,054	843,381	912,673
Transfer of Funds to Charter Schools	854,713	(43,788)	810,925	810,925	
TOTAL EXPENDITURES	26,007,692	(311,152)	25,696,540	27,506,891	(1,810,351)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,768,034)		(2,768,034)	(549,509)	2,218,525
Other Financing Sources:					
Cancellation of Prior Year Interfund Payable				77,000	77,000
Total Other Financing Sources				77,000	77,000

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

Excess (Deficiency) of Revenues and Other Financing Sources
Over (Under) Expenditures

Fund Balance, July 1
Fund Balance, June 30

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
	\$ (2,768,034)		\$ (2,768,034)	\$ (472,509)	\$ 2,295,525
	5,919,813		5,919,813	5,919,813	
	<u>\$ 3,151,779</u>	<u>\$ -0-</u>	<u>\$ 3,151,779</u>	<u>\$ 5,447,304</u>	<u>\$ 2,295,525</u>

Recapitulation:

Restricted:

Excess Surplus - Restricted for 2020-2021
Excess Surplus - Restricted for 2019-2020
Capital Reserve

Assigned:

Year-End Encumbrances
Unassigned

\$ 791,669
1,462,494
1,578,572

789,987
824,582
5,447,304

Reconciliation to Governmental Funds Statements (GAAP):
Last State Aid Payments not Recognized on GAAP Basis

Fund Balance per Governmental Funds (GAAP)

(747,042)
\$ 4,700,262

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 103,419	2,750	\$ 2,750	\$ 2,592	\$ (158)
State Sources	579,742	47,782	151,201	78,922	(72,279)
Federal Sources	683,161	140,731	720,473	669,978	(50,495)
Total Revenues	683,161	191,263	874,424	751,492	(122,932)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	91,000		91,000	91,000	
Other Salaries for Instruction	19,821	(52)	19,769	19,769	
Purchased Professional - Educational Services	124,292	29,205	153,497	115,863	37,634
Tuition	180,000	119,097	299,097	289,456	9,641
General Supplies	13,926	14,133	28,059	12,200	15,859
Textbooks	5,588	(350)	5,238	4,201	1,037
Total Instruction	434,627	162,033	596,660	532,489	64,171
Support Services:					
Salaries of Other Professional Staff	46,320	6,449	52,769	52,769	
Personal Services - Employee Benefits	28,210	3,777	31,987	31,987	
Purchased Professional/Educational Services	37,383	10,924	48,307	26,335	21,972
Purchased Professional and Technical Services	136,621	5,330	141,951	105,320	36,631
Supplies and Materials		2,750	2,750	2,592	158
Total Support Services	248,534	29,230	277,764	219,003	58,761
Total Expenditures	\$ 683,161	\$ 191,263	\$ 874,424	\$ 751,492	\$ 122,932

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 26,957,382	\$ 751,492
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		31,571
Current Year Encumbrances		(11,175)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	762,712	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(747,042)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 26,973,052	\$ 771,888
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 27,506,891	\$ 751,492
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		31,571
Current Year Encumbrances		(11,175)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 27,506,891	\$ 771,888

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2019, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Elementary and Secondary Education				IDEA Part B			Nonpublic Textbook Aid
	Title I	Title II	Title IV	Preschool	Basic			
REVENUE:								
Local Sources								
State Sources								
Federal Sources	\$ 178,688	\$ 25,204	\$ 10,414	\$ 19,769	\$ 435,903		\$ 4,201	
Total Revenue	178,688	25,204	10,414	19,769	435,903		4,201	
EXPENDITURES:								
Instruction:								
Salaries of Teachers	91,000							
Other Salaries for Instruction				19,769				
Purchased Professional/Educational Services						80,707		
Tuition						289,456		
General Supplies	2,932					2,068		
Textbooks							4,201	
Total Instruction	93,932			19,769		372,231	4,201	
Support Services:								
Salaries of Other Professional Staff	52,769							
Salaries of Non-Instructional Aides - Transportation								
Personal Services - Employee Benefits	31,987							
Purchased Professional/Educational Services						10,414		
Purchased Professional and Technical Services		25,204				63,672		
Total Support Services	84,756	25,204	10,414			63,672		
Total Expenditures	\$ 178,688	\$ 25,204	\$ 10,414	\$ 19,769	\$ 435,903		\$ 4,201	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonpublic Security Aid	Nonpublic Technology Aid	Chapter 192 Auxiliary Aid Compensatory Education	Examination and Classification	Chapter 193 Nonpublic Handicapped Aid Supplementary Instruction	Corrective Speech
REVENUE:						
Local Sources						
State Sources	\$ 7,200	\$ 2,874	\$ 21,658	\$ 15,471	\$ 10,864	\$ 10,624
Federal Sources						
Total Revenue	7,200	2,874	21,658	15,471	10,864	10,624
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional/Educational Services		2,874	21,658			10,624
Tuition						
General Supplies	7,200					
Textbooks						
Total Instruction	7,200	2,874	21,658			10,624
Support Services:						
Salaries of Other Professional Staff						
Salaries of Non-Instructional Aides - Transportation						
Personal Services - Employee Benefits				15,471	10,864	
Purchased Professional/Educational Services						
Purchased Professional and Technical Services						
Total Support Services				15,471	10,864	
Total Expenditures	\$ 7,200	\$ 2,874	\$ 21,658	\$ 15,471	\$ 10,864	\$ 10,624

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonpublic Nursing Aid	Local Grants	Totals
REVENUE:			
Local Sources		2,592	2,592
State Sources	6,030		78,922
Federal Sources			669,978
Total Revenue	6,030	2,592	751,492
EXPENDITURES:			
Instruction:			
Salaries of Teachers			91,000
Other Salaries for Instruction			19,769
Purchased Professional/Educational Services			115,863
Tuition			289,456
General Supplies			12,200
Textbooks			4,201
Total Instruction			532,489
Support Services:			
Salaries of Other Professional Staff			52,769
Personal Services - Employee Benefits			31,987
Purchased Professional/Educational Services			26,335
Purchased Professional and Technical Services	6,030		105,320
Supplies and Materials		2,592	2,592
Total Support Services	6,030	2,592	219,003
Total Expenditures	6,030	2,592	751,492

CAPITAL PROJECTS FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Fund Balance - Beginning	<u>\$ 27,637</u>
Fund Balance - Ending	<u><u>\$ 27,637</u></u>
 <u>Recapitulation:</u>	
Committed:	
Other Purposes	<u>\$ 27,637</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 27,637</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SOLAR PANEL PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Contribution from Private Source	\$ 70,680		\$ 70,680	\$ 70,680
Total Revenue and Other Financing Sources	70,680		70,680	70,680
Expenditures:				
Purchased Professional and Technical Services	43,043		43,043	70,680
Total Expenditures	43,043	-0-	43,043	70,680
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	\$ 27,637	\$ -0-	\$ 27,637	\$ -0-
Additional Project Information:				
Project Number(s)	N/A			
Grant Date(s)	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 20,000			
Additional Funds	\$ 50,680			
Revised Authorized Cost	\$ 70,680			
Change Order Percentage	253.40%			
Percentage Completion	60.90%			
Original Target Completion Date	06/30/13			
Revised Target Completion Date	06/30/20			

PROPRIETARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Major Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Care Program</u>	
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 151,715	\$ 160,191	\$ 311,906
Intergovernmental Accounts Receivable:			
State	259		259
Federal	11,145		11,145
Other Accounts Receivable	7,474		7,474
Inventories	14,422		14,422
Total Current Assets	<u>185,015</u>	<u>160,191</u>	<u>345,206</u>
Non-Current Assets:			
Capital Assets	239,913		239,913
Accumulated depreciation	(188,248)		(188,248)
Total Non-Current Assets	<u>51,665</u>		<u>51,665</u>
Total Assets	<u>236,680</u>	<u>160,191</u>	<u>396,871</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Vendors	19,008		19,008
Accounts Payable - Other		8,345	8,345
Interfund Payable	40,429		40,429
Unearned Revenue - Donated Commodities	4,885		4,885
Unearned Revenue - Prepaid Sales/Fees	2,859	20,749	23,608
Total Current Liabilities	<u>67,181</u>	<u>29,094</u>	<u>96,275</u>
NET POSITION:			
Investment in Capital Assets	51,665		51,665
Unrestricted	117,834	131,097	248,931
Total Net Position	<u>\$ 169,499</u>	<u>\$ 131,097</u>	<u>\$ 300,596</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Major Funds</u>		<u>Total</u>
	<u>Food Service</u>	<u>Care Program</u>	
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 127,317		\$ 127,317
Daily Sales - Non Reimbursable Programs	33,844		33,844
Child Care Fees		\$ 135,053	135,053
Total Operating Revenue	<u>161,161</u>	<u>135,053</u>	<u>296,214</u>
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	124,789		124,789
Cost of Goods Sold - Non-Reimbursable Programs	33,172		33,172
Salaries	113,707	151,540	265,247
Employee Benefits and Payroll Taxes	28,748		28,748
Purchased Services	13,715	11,224	24,939
Supplies and Materials	18,827	4,514	23,341
Depreciation	9,830		9,830
Other		574	574
Total Operating Expenses	<u>342,788</u>	<u>167,852</u>	<u>510,640</u>
Operating Loss	<u>(181,627)</u>	<u>(32,799)</u>	<u>(214,426)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	3,434		3,434
Federal Sources:			
National School Lunch Program	117,622		117,622
School Breakfast Program	26,066		26,066
Food Distribution Program	26,211		26,211
Local Sources:			
Interest Revenue	322		322
Total Non-Operating Revenue	<u>173,655</u>		<u>173,655</u>
Change in Net Position	(7,972)	(32,799)	(40,771)
Net Position - Beginning of Year	<u>177,471</u>	<u>163,896</u>	<u>341,367</u>
Net Position - End of Year	<u>\$ 169,499</u>	<u>\$ 131,097</u>	<u>\$ 300,596</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds		
	Food Service	Care Program	Total
Cash Flows for Operating Activities:			
Receipts from Customers	\$ 161,744	\$ 142,009	\$ 303,753
Payments for Salaries, Payroll Taxes and Benefits	(142,455)	(143,195)	(285,650)
Payments to Suppliers	(106,583)	(23,547)	(130,130)
Net Cash Used for Operating Activities	(87,294)	(24,733)	(112,027)
Cash Flows Used for Capital Financing Activities:			
Acquisition of Equipment	(34,520)		(34,520)
Net Cash Used for Capital Financing Activities	(34,520)		(34,520)
Cash Flows for Noncapital Financing Activities:			
Federal and State Sources Received in Food Service Fund	148,880		148,880
Net Cash Provided by Noncapital Financing Activities	148,880		148,880
Cash Flows from Investing Activities:			
Interest on Investments	322		322
Net Cash Provided by Investing Activities	322		322
Net Increase/(Decrease) in Cash and Cash Equivalents	27,388	(24,733)	2,655
Cash and Cash Equivalents, July 1	124,327	184,924	309,251
Cash and Cash Equivalents, June 30	\$ 151,715	\$ 160,191	\$ 311,906
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	\$ (181,627)	\$ (32,799)	\$ (214,426)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	9,830		9,830
Food Distribution Program	26,211		26,211
Changes in Assets and Liabilities:			
Decrease in Inventory	2,565		2,565
(Increase) in Other Accounts Receivable	(1,965)		(1,965)
Increase in Accounts Payable	18,508	1,110	19,618
(Decrease) in Unearned Revenue - Donated Commodities	(457)		(457)
Increase in Unearned Revenue - Prepaid Sales/Fees	583	15,098	15,681
Increase/(Decrease) in Interfund Payable	39,058	(8,142)	30,916
Net Cash Used for Operating Activities	\$ (87,294)	\$ (24,733)	\$ (112,027)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,754 and utilized commodities valued at \$26,211 for the fiscal year ended June 30, 2019.

FIDUCIARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Agency		Total	Unemployment
	Payroll	Student Activity	Agency Funds	Compensation Trust
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 848,834	\$ 107,339	\$ 956,173	\$ 514,531
Total Assets	848,834	107,339	956,173	514,531
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	165,878		165,878	
Interfund Payable - General Fund	44,256		44,256	
Accrued Salaries and Wages Due to Student Groups	638,700	107,339	638,700	
Total Liabilities	848,834	107,339	956,173	
<u>NET POSITION:</u>				
Held in Trust for Unemployment Claims				514,531
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 514,531

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee Contributions	\$ 68,448
Total Contributions	68,448
Investment Earnings:	
Interest	1,004
Net Investment Earnings	1,004
Total Additions	69,452
DEDUCTIONS:	
Quarterly Contribution Reports/Unemployment Claims	46,788
Total Deductions	46,788
Change in Net Position Before Other Item	22,664
Other Item:	
Cancellation of Prior Year Interfund Receivable	77,000
Total Other Items	77,000
Change in Net Position	(54,336)
Net Position - Beginning of the Year	568,867
Net Position - End of the Year	\$ 514,531

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 105,274	\$ 150,392	\$ 148,327	\$ 107,339
Total Assets	<u>\$ 105,274</u>	<u>\$ 150,392</u>	<u>\$ 148,327</u>	<u>\$ 107,339</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 105,274	\$ 150,392	\$ 148,327	\$ 107,339
Total Liabilities	<u>\$ 105,274</u>	<u>\$ 150,392</u>	<u>\$ 148,327</u>	<u>\$ 107,339</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 772,000	\$ 26,323,473	\$ 26,246,639	\$ 848,834
Total Assets	<u>\$ 772,000</u>	<u>\$ 26,323,473</u>	<u>\$ 26,246,639</u>	<u>\$ 848,834</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 126,765	\$ 25,682,781	\$ 25,643,668	\$ 165,878
Interfund Payable - General Fund	43,203	1,992	939	44,256
Accrued Salaries and Wages	<u>602,032</u>	<u>638,700</u>	<u>602,032</u>	<u>638,700</u>
Total Liabilities	<u>\$ 772,000</u>	<u>\$ 26,323,473</u>	<u>\$ 26,246,639</u>	<u>\$ 848,834</u>

LONG-TERM DEBT
(NOT APPLICABLE)

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,				
	2010	2011	2012	2013	2014
Governmental Activities					
Net Investment in Capital Assets	\$ 4,100,593	\$ 4,085,016	\$ 4,171,393	\$ 4,541,835	\$ 4,426,455
Restricted	295,451	57,896	783,856	2,015,681	2,785,800
Unrestricted/(Deficit)	(1,268,685)	(659,916)	(222,561)	(471,386)	(6,932,568)
Total Governmental Activities Net Position	<u>\$ 3,127,359</u>	<u>\$ 3,482,996</u>	<u>\$ 4,732,688</u>	<u>\$ 6,086,130</u>	<u>\$ 279,687</u>
Business-type Activities					
Investment in Capital Assets	\$ 10,103	\$ 14,124	\$ 11,852	\$ 54,554	\$ 45,434
Unrestricted	260,900	270,217	294,664	267,452	291,349
Total Business-type Activities Net Position	<u>\$ 271,003</u>	<u>\$ 284,341</u>	<u>\$ 306,516</u>	<u>\$ 322,006</u>	<u>\$ 336,783</u>
District-wide					
Net Investment in Capital Assets	\$ 4,110,696	\$ 4,099,140	\$ 4,183,245	\$ 4,596,389	\$ 4,471,889
Restricted	295,451	57,896	783,856	2,015,681	2,785,800
Unrestricted/(Deficit)	(1,007,785)	(389,699)	72,103	(203,934)	(6,641,219)
Total District Net Position	<u>\$ 3,398,362</u>	<u>\$ 3,767,337</u>	<u>\$ 5,039,204</u>	<u>\$ 6,408,136</u>	<u>\$ 616,470</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT,

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2015	2016	2017	2018	2019
Governmental Activities					
Net Investment in Capital Assets	\$ 4,669,704	\$ 5,360,753	\$ 5,881,645	\$ 5,981,976	\$ 6,247,652
Restricted	3,429,754	3,691,146	4,111,516	4,670,087	3,832,735
Unrestricted/(Deficit)	<u>(6,651,551)</u>	<u>(7,024,574)</u>	<u>(7,596,477)</u>	<u>(7,581,360)</u>	<u>(7,200,125)</u>
Total Governmental Activities Net Position	<u>\$ 1,447,907</u>	<u>\$ 2,027,325</u>	<u>\$ 2,396,684</u>	<u>\$ 3,070,703</u>	<u>\$ 2,880,262</u>
Business-type Activities					
Investment in Capital Assets	\$ 44,334	\$ 36,263	\$ 33,354	\$ 26,975	\$ 51,665
Unrestricted	320,376	350,610	336,727	314,392	248,931
Total Business-type Activities Net Position	<u>\$ 364,710</u>	<u>\$ 386,873</u>	<u>\$ 370,081</u>	<u>\$ 341,367</u>	<u>\$ 300,596</u>
District-wide					
Net Investment in Capital Assets	\$ 4,714,038	\$ 5,397,016	\$ 5,914,999	\$ 6,008,951	\$ 6,299,317
Restricted	3,429,754	3,691,146	4,111,516	4,670,087	3,832,735
Unrestricted/(Deficit)	<u>(6,331,175)</u>	<u>(6,673,964)</u>	<u>(7,259,750)</u>	<u>(7,266,968)</u>	<u>(6,951,194)</u>
Total District Net Position	<u>\$ 1,812,617</u>	<u>\$ 2,414,198</u>	<u>\$ 2,766,765</u>	<u>\$ 3,412,070</u>	<u>\$ 3,180,858</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities					
Instruction:					
Regular	\$ 9,282,440	\$ 8,175,506	\$ 8,149,112	\$ 8,550,999	\$ 8,339,942
Special Education	5,619,874	5,694,972	5,727,953	5,649,850	5,396,907
Other Special Instruction	405,347	242,415	464,341	374,589	397,758
School Sponsored/Other Instruction	439,234	71,528	105,493	87,833	114,219
Support Services:					
Tuition	152,192	271,620	257,397	379,599	408,959
Student & Instruction Related Services	3,224,294	3,065,680	3,068,148	3,060,216	3,126,936
General Administrative Services	369,281	506,152	524,771	514,184	509,594
School Administrative Services	925,112	929,181	1,022,110	1,024,393	1,044,383
Central Services	403,258	383,641	305,373	290,377	292,390
Administrative Information Technology	183,970	185,099	283,268	281,431	339,086
Plant Operations and Maintenance	2,050,404	1,906,119	1,859,114	1,681,990	1,767,311
Pupil Transportation	1,977,677	1,886,187	1,966,495	1,932,957	1,962,766
Transfer of Funds to Charter School	365,959	548,659	445,150	649,150	768,831
Unallocated Depreciation	208,287	212,038	214,594	235,956	258,381
Capital Outlay		1,034			
Total Governmental Activities Expenses	<u>25,607,329</u>	<u>24,079,831</u>	<u>24,393,319</u>	<u>24,713,524</u>	<u>24,727,463</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Business-type Activities:					
Food Service	\$ 404,179	\$ 383,217	\$ 399,442	\$ 394,381	\$ 375,682
Care Program	144,834	119,857	164,276	131,740	115,623
Total Business-type Activities Expense	549,013	503,074	563,718	526,121	491,305
Total District Expenses	\$ 26,156,342	\$ 24,582,905	\$ 24,957,037	\$ 25,239,645	\$ 25,218,768
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)	\$ 89,441	\$ 114,146	\$ 153,395	\$ 144,656	\$ 61,977
Transportation Fees		4,270	48,557		53,268
Operating Grants and Contributions	5,143,102	3,941,493	4,461,440	4,656,823	4,248,970
Total Governmental Activities Program Revenues	\$ 5,232,543	\$ 4,059,909	\$ 4,663,392	\$ 4,801,479	\$ 4,364,215
Business-type Activities:					
Charges for Services:					
Food Service	273,174	238,723	236,336	212,540	203,972
Care Program	146,821	121,900	164,718	140,229	115,293
Operating Grants and Contributions	156,154	155,451	184,620	188,638	186,616
Total Business-type Activities Program Revenues	\$ 576,149	\$ 516,074	\$ 585,674	\$ 541,407	\$ 505,881
Total District Program Revenues	\$ 5,808,692	\$ 4,575,983	\$ 5,249,066	\$ 5,342,886	\$ 4,870,096
Net (Expense)/Revenue					
Governmental Activities	\$ (20,374,786)	\$ (20,019,922)	\$ (19,729,927)	\$ (19,912,045)	\$ (20,363,248)
Business-Type Activities	27,136	13,000	21,956	15,286	14,576
Total District-Wide Net Expense	\$ (20,347,650)	\$ (20,006,922)	\$ (19,707,971)	\$ (19,896,759)	\$ (20,348,672)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 14,223,504	\$ 14,570,561	\$ 14,716,267	\$ 15,010,592	\$ 15,010,592
Unrestricted Grants and Contributions	5,908,799	5,710,842	6,182,065	5,986,019	6,194,580
Miscellaneous Income	66,855	94,156	81,287	67,421	175,939
Other Item:					
Cancellation of Prior Year Accounts Payable				201,455	
Cancellation of Prior Year Interfund Payable					
Total Governmental Activities	<u>20,199,158</u>	<u>20,375,559</u>	<u>20,979,619</u>	<u>21,265,487</u>	<u>21,381,111</u>
Business-type Activities:					
Interest Income	483	338	219	204	201
Cancellation of Prior Year Interfund Payable	5,181				
Total Business-Type Activities	<u>5,664</u>	<u>338</u>	<u>219</u>	<u>204</u>	<u>201</u>
Total District-Wide	<u>\$ 20,204,822</u>	<u>\$ 20,375,897</u>	<u>\$ 20,979,838</u>	<u>\$ 21,265,691</u>	<u>\$ 21,381,312</u>
Change in Net Position					
Governmental Activities	\$ (175,628)	\$ 355,637	\$ 1,249,692	\$ 1,353,442	\$ 1,017,863
Business-type Activities	32,800	13,338	22,175	15,490	14,777
Total District	<u>\$ (142,828)</u>	<u>\$ 368,975</u>	<u>\$ 1,271,867</u>	<u>\$ 1,368,932</u>	<u>\$ 1,032,640</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities					
Instruction:					
Regular	\$ 9,386,010	\$ 10,110,172	\$ 10,899,507	\$ 11,078,743	\$ 10,255,051
Special Education	6,147,885	6,305,932	6,799,286	6,754,881	6,504,414
Other Special Instruction	240,738	359,275	459,473	655,672	644,500
School Sponsored/Other Instruction	204,447	213,454	225,918	350,737	292,546
Support Services:					
Tuition	543,788	730,477	703,092	419,181	510,811
Student & Instruction Related Services	3,513,977	4,049,811	4,517,681	5,003,519	4,608,302
General Administrative Services	550,495	583,752	594,740	663,506	651,284
School Administrative Services	1,090,413	1,119,758	1,267,044	1,354,059	1,170,361
Central Services	434,597	470,012	504,295	528,495	477,838
Administrative Information Technology	303,185	314,352	249,937	241,778	220,478
Plant Operations and Maintenance	1,923,511	2,153,881	2,202,076	2,338,916	2,323,621
Pupil Transportation	1,923,286	1,906,495	2,003,454	1,843,522	1,837,694
Transfer of Funds to Charter School	778,092	718,282	744,422	570,457	810,925
Unallocated Depreciation	283,294	331,462	368,667	406,714	411,506
Capital Outlay			1,273	48,174	105,405
Total Governmental Activities Expenses	<u>27,323,718</u>	<u>29,367,115</u>	<u>31,540,865</u>	<u>32,258,354</u>	<u>30,824,736</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Business-type Activities:					
Food Service	\$ 346,436	\$ 348,186	\$ 343,679	\$ 323,024	\$ 342,788
Care Program	122,567	125,903	170,717	174,585	167,852
Total Business-type Activities Expense	469,003	474,089	514,396	497,609	510,640
Total District Expenses	<u>\$ 27,792,721</u>	<u>\$ 29,841,204</u>	<u>\$ 32,055,261</u>	<u>\$ 32,755,963</u>	<u>\$ 31,335,376</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)		\$ 43,179	\$ 128,426	\$ 77,523	\$ 46,647
Transportation Fees		86,841	84,396	76,485	78,654
Operating Grants and Contributions	6,856,688	7,877,610	9,780,109	11,274,867	9,161,556
Total Governmental Activities Program Revenues	<u>\$ 6,856,688</u>	<u>\$ 8,007,630</u>	<u>\$ 9,992,931</u>	<u>\$ 11,428,875</u>	<u>\$ 9,286,857</u>
Business-type Activities:					
Charges for Services:					
Food Service	175,445	173,167	162,973	153,065	161,161
Care Program	138,521	160,837	153,207	142,356	135,053
Operating Grants and Contributions	182,707	161,976	181,142	173,179	173,333
Total Business-type Activities Program Revenues	496,673	495,980	497,322	468,600	469,547
Total District Program Revenues	<u>\$ 7,353,361</u>	<u>\$ 8,503,610</u>	<u>\$ 10,490,253</u>	<u>\$ 11,897,475</u>	<u>\$ 9,756,404</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (20,467,030)	\$ (21,359,485)	\$ (21,547,934)	\$ (20,829,479)	\$ (21,537,879)
Business-Type Activities	27,670	21,891	(17,074)	(29,009)	(41,093)
Total District-Wide Net Expense	<u>\$ (20,439,360)</u>	<u>\$ (21,337,594)</u>	<u>\$ (21,565,008)</u>	<u>\$ (20,858,488)</u>	<u>\$ (21,578,972)</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 15,310,804	\$ 15,617,020	\$ 15,546,520	\$ 15,130,100	\$ 15,232,726
Unrestricted Grants and Contributions	6,259,289	6,266,361	6,296,006	6,164,414	5,971,294
Miscellaneous Income	65,157	55,522	74,767	208,984	66,418
Other Item:					
Cancellation of Prior Year Accounts Payable					77,000
Cancellation of Prior Year Interfund Payable					
Total Governmental Activities	<u>21,635,250</u>	<u>21,938,903</u>	<u>21,917,293</u>	<u>21,503,498</u>	<u>21,347,438</u>
Business-type Activities:					
Interest Income	257	272	282	295	322
Cancellation of Prior Year Interfund Payable					
Total Business-Type Activities	<u>257</u>	<u>272</u>	<u>282</u>	<u>295</u>	<u>322</u>
Total District-Wide	<u>\$ 21,635,507</u>	<u>\$ 21,939,175</u>	<u>\$ 21,917,575</u>	<u>\$ 21,503,793</u>	<u>\$ 21,347,760</u>
Change in Net Position					
Governmental Activities	\$ 1,168,220	\$ 579,418	\$ 369,359	\$ 674,019	\$ (190,441)
Business-type Activities	27,927	22,163	(16,792)	(28,714)	(40,771)
Total District	<u>\$ 1,196,147</u>	<u>\$ 601,581</u>	<u>\$ 352,567</u>	<u>\$ 645,305</u>	<u>\$ (231,212)</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,				
	2010	2011	2012	2013	2014
General Fund					
Reserved	\$ 295,451				
Unreserved/(Deficit)	(512,197)				
Restricted		\$ 57,896	\$ 783,856	\$ 2,015,681	\$ 2,785,800
Assigned			341,972	130,498	156,826
Unassigned/(Deficit)		(9,429)			
Total General Fund (Deficit)	\$ (216,746)	\$ 48,467	\$ 1,125,828	\$ 2,146,179	\$ 2,942,626
All Other Governmental Funds					
Committed			\$ 20,000	\$ 20,000	\$ 27,637
Total All Other Governmental Funds	\$ -0-	\$ -0-	\$ 20,000	\$ 20,000	\$ 27,637
Total Governmental Funds/(Deficit)	\$ (216,746)	\$ 48,467	\$ 1,145,828	\$ 2,166,179	\$ 2,970,263

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,				
	2015	2016	2017	2018	2019
General Fund					
Reserved					
Unreserved/(Deficit)					
Restricted	\$ 3,429,754	\$ 3,691,146	\$ 4,111,516	\$ 4,670,087	\$ 3,832,735
Assigned	441,568	235,562	255,329	487,014	789,987
Unassigned/(Deficit)					77,540
Total General Fund (Deficit)	\$ 3,871,322	\$ 3,926,708	\$ 4,366,845	\$ 5,157,101	\$ 4,700,262
All Other Governmental Funds					
Committed	\$ 27,637	\$ 27,637	\$ 27,637	\$ 27,637	\$ 27,637
Total All Other Governmental Funds	\$ 27,637	\$ 27,637	\$ 27,637	\$ 27,637	\$ 27,637
Total Governmental Funds/(Deficit)	\$ 3,898,959	\$ 3,954,345	\$ 4,394,482	\$ 5,184,738	\$ 4,727,899

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2010	2011	2012	2013	2014
Expenditures					
Employee Benefits	\$ 5,942,120	\$ 6,170,756	\$ 6,513,736	\$ 6,275,342	\$ 6,060,598
Capital Outlay	661,212	233,087	376,829	779,730	601,411
Transfer of Funds to Charter School	365,959	548,659	445,150	649,150	768,831
Total Expenditures	<u>26,056,687</u>	<u>24,170,255</u>	<u>24,545,650</u>	<u>25,046,615</u>	<u>24,941,242</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	<u>(624,986)</u>	<u>245,525</u>	<u>1,097,361</u>	<u>818,896</u>	<u>804,084</u>
Other Financing Sources/(Uses)					
Cancellation of Prior Year Accounts Payable				201,455	
Cancellation of Prior Year Due to Grantor		19,688			
Capital Leases (Non-Budgeted)	157,406				
Total Other Financing Sources/(Uses)	<u>157,406</u>	<u>19,688</u>		<u>201,455</u>	
Net Change in Fund Balances	<u>\$ (467,580)</u>	<u>\$ 265,213</u>	<u>\$ 1,097,361</u>	<u>\$ 1,020,351</u>	<u>\$ 804,084</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS.

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,			
	2015	2016	2017	2018
Revenues				
Tax Levy	\$ 15,310,804	\$ 15,617,020	\$ 15,546,520	\$ 15,130,100
Tuition Charges		43,179	128,426	77,523
Transportation Fees		86,841	84,396	76,485
State Sources	10,074,504	10,452,114	10,786,380	10,953,244
Federal Sources	737,985	645,316	634,710	813,589
Miscellaneous	65,157	55,522	74,767	208,984
Total Revenue	26,188,450	26,899,992	27,255,199	27,259,925
Expenditures				
Instruction				
Regular Instruction	5,830,314	6,025,010	5,693,620	5,634,659
Special Education Instruction	3,894,236	3,651,112	3,795,004	3,352,583
Other Special Instruction	182,566	255,162	281,210	405,364
School-Sponsored/Other Instruction	93,912	84,772	87,757	101,339
Support Services:				
Tuition	543,788	730,477	703,092	419,181
Student & Other Instruction Related Services	2,342,721	2,595,077	2,631,997	2,810,817
General Administrative Services	466,473	471,737	438,449	499,121
School Administrative Services	689,019	674,856	711,550	720,636
Central Services	299,833	310,922	304,586	306,035
Administrative Information Technology	260,961	261,226	187,184	170,715
Plant Operations and Maintenance	1,552,161	1,694,577	1,696,499	1,707,667
Student Transportation	1,620,347	1,542,729	1,603,296	1,457,778
				93,180
				510,811
				2,828,637
				511,463
				695,954
				317,232
				168,760
				1,857,287
				1,575,867

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Expenditures					
Employee Benefits	\$ 6,021,058	\$ 6,644,444	\$ 6,911,193	\$ 7,662,161	\$ 8,242,289
Capital Outlay	684,273	1,184,223	1,025,203	651,156	843,381
Transfer of Funds to Charter School	778,092	718,282	744,422	570,457	810,925
Total Expenditures	<u>25,259,754</u>	<u>26,844,606</u>	<u>26,815,062</u>	<u>26,469,669</u>	<u>28,278,779</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	928,696	55,386	440,137	790,256	(533,839)
Other Financing Sources/(Uses)					
Cancellation of Prior Year Accounts Payable					77,000
Cancellation of Prior Year Due to Grantor					
Capital Leases (Non-Budgeted)					
Total Other Financing Sources/(Uses)					<u>77,000</u>
Net Change in Fund Balances	<u>\$ 928,696</u>	<u>\$ 55,386</u>	<u>\$ 440,137</u>	<u>\$ 790,256</u>	<u>\$ (456,839)</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
 (Modified Accrual Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transportation</u> <u>Revenue</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2010	\$ 14,307	\$ 89,441			\$ 52,548	\$ 156,296
2011	3,494	114,146	\$ 4,270		70,974	192,884
2012	4,739	153,395	48,557		56,548	263,239
2013	7,232	144,656			60,189	212,077
2014	7,777	61,977	53,268		117,482	240,504
2015	4,426				60,731	65,157
2016	9,372	43,179	86,841		46,150	185,542
2017	10,339	128,426	84,396		64,428	287,589
2018	11,865	77,523	76,485	\$ 60,053	137,066 *	362,992
2019	11,170	46,647	78,654	17,480	37,768	191,719

* Includes cancellation of prior year accounts payable of \$44,273.

Source: School District records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.
 LAST TEN YEARS
 UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
Borough of Sussex												
2009	\$ 1,069,900	\$ 52,983,900	\$ 373,900	\$ 20,400	\$ 16,578,200	\$ 474,100	\$ 6,896,000	\$ 78,396,400	\$ 1,341,249	\$ 79,737,649	\$ 2.53	\$ 149,022,809
2010	994,800	53,417,900	373,900	20,400	16,600,200	474,100	6,896,000	78,777,300	857,595	79,634,895	2.62	161,479,129
2011	960,900	53,446,500	373,900	20,400	16,533,600	474,100	6,896,000	78,705,400	717,621	79,423,021	2.71	142,202,611
2012	963,700	53,339,500	373,900	20,400	16,533,600	474,100	6,896,000	78,601,200	505,353	79,106,553	2.73	144,178,764
2013	*	1,732,400	81,631,500	640,100	25,708,300	721,600	16,707,400	127,162,800	662,927	127,825,727	1.75	132,158,837
2014	1,804,600	80,772,200	640,100	21,500	25,254,600	787,300	16,234,700	125,515,000	835,798	126,350,798	1.74	123,628,837
2015	1,838,400	80,688,700	640,100	21,500	24,735,400	787,300	16,190,200	124,901,600	1,107,571	126,009,171	1.76	125,959,230
2016	1,791,200	80,820,200	640,100	21,500	24,657,400	787,300	14,503,400	123,221,100	-0-	123,221,100	1.87	127,045,159
2017	1,791,200	80,740,000	640,100	21,500	26,734,600	787,300	14,484,100	125,198,800	-0-	125,198,800	1.84	130,280,646
2018	2,570,700	80,386,800	640,100	20,700	25,456,500	787,300	14,484,100	124,346,200	-0-	124,346,200	1.86	126,728,700
Township of Wantage												
2009	\$ 59,181,060	\$ 1,119,347,900	\$ 149,236,000	\$ 8,382,456	\$ 113,353,662	\$ 761,300	\$ 5,822,300	\$ 1,456,084,678	\$ 2,298,850	\$ 1,458,383,528	\$ 1.36	\$ 1,549,245,517
2010	55,259,940	1,122,400,900	148,895,700	7,579,076	115,230,735	761,300	5,822,300	1,455,949,951	3,113,073	1,459,063,024	1.40	1,460,073,411
2011	51,572,340	1,118,998,800	151,709,500	7,728,476	114,954,935	961,300	5,822,300	1,451,747,651	3,405,033	1,455,152,684	1.40	1,375,590,329
2012	45,769,389	1,065,045,000	152,009,100	7,633,487	114,722,735	961,300	5,822,300	1,391,963,311	3,619,926	1,395,583,237	1.48	1,276,603,496
2013	42,071,360	1,057,651,000	150,677,900	7,677,793	114,525,205	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	1.49	1,212,594,551
2014	*	30,572,600	899,760,106	133,737,300	116,927,091	1,541,400	11,621,250	1,201,661,647	3,383,457	1,205,045,104	1.72	1,195,626,385
2015	30,651,700	899,500,006	133,712,100	7,500,200	116,927,091	1,541,400	11,621,250	1,201,453,747	3,805,642	1,205,259,389	1.77	1,188,264,413
2016	29,938,700	898,143,806	134,981,300	7,172,500	116,639,030	1,541,400	11,621,200	1,200,037,936	-0-	1,200,037,936	1.83	1,167,238,533
2017	29,631,300	899,354,006	134,672,100	7,014,152	114,342,284	1,541,400	11,621,200	1,198,176,442	-0-	1,198,176,442	1.76	1,169,093,206
2018	31,423,050	898,028,906	134,724,100	6,944,872	112,741,984	1,541,400	13,521,200	1,198,925,512	-0-	1,198,925,512	1.73	1,273,420,618

* Revaluation was effective in this year.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
^b Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessor

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct Tax Rate	Municipality	Sussex County	
<u>Borough of Sussex</u>						
2009	\$ 2.529	\$ -0-	\$ 2.529	\$ 0.770	\$ 0.711	\$ 4.010
2010	2.615	-0-	2.615	0.912	0.820	4.347
2011	2.707	-0-	2.707	0.982	0.774	4.463
2012	2.731	-0-	2.731	1.006	0.848	4.585
2013	* 1.752	-0-	1.752	0.668	0.509	2.929
2014	1.743	-0-	1.743	0.673	0.499	2.915
2015	1.755	-0-	1.755	0.729	0.509	2.993
2016	1.865	-0-	1.865	0.752	0.558	3.175
2017	1.836	-0-	1.836	0.758	0.596	3.190
2018	1.857	-0-	1.857	0.782	0.626	3.265
<u>Township of Wantage</u>						
2009	\$ 1.359	\$ -0-	\$ 1.359	\$ 0.210	\$ 0.404	\$ 1.973
2010	1.395	-0-	1.395	0.238	0.403	2.036
2011	1.398	-0-	1.398	0.246	0.408	2.052
2012	1.475	-0-	1.475	0.240	0.422	2.137
2013	1.492	-0-	1.492	0.245	0.431	2.168
2014	* 1.721	-0-	1.721	0.280	0.519	2.520
2015	1.774	-0-	1.774	0.300	0.513	2.587
2016	1.827	-0-	1.827	0.300	0.546	2.673
2017	1.764	-0-	1.764	0.294	0.557	2.615
2018	1.730	-0-	1.730	0.299	0.575	2.604

* Revaluation was effective in this year.

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collector and School Business Administrator

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

		2019			2010			
Taxpayer		Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
<u>Borough of Sussex</u>								
	Alpine Village Apt LLC	\$ 7,506,000	1	6.04%	Alpine Village Apt LLC	\$ 4,142,300	1	5.19%
	Jimkev Realty, LLC	3,700,000	2	2.98%	Wilson Manor Associates	2,122,700	2	2.66%
	MPT of Morris, LLC	2,100,000	3	1.69%	Cloverleaf Realty of NJ, Inc	1,239,900	3	1.55%
	Franklin Sussex Realty, LLC	1,929,500	4	1.55%	RBND LLC	958,400	4	1.20%
	Individual Taxpayer #1	1,702,800	5	1.37%	United Telephone Co. of NJ	857,595	5	1.07%
	Sussex Plaza Realty, LLC	1,170,600	6	0.94%	Sussex Creamery LLC	671,600	6	0.84%
	Great George Holdings, LLC	1,046,800	7	0.84%	Sussex Plaza Realty, LLC	604,300	7	0.76%
	RBND, LLC	985,600	8	0.79%	Marvel Partners, LLC	575,080	8	0.72%
	Munson Street Development, LLC	894,200	9	0.72%	JP Morgan Chase & Co	506,900	9	0.63%
	Individual Taxpayer #2	883,700	10	0.71%	United Telephone Co. of NJ	496,800	10	0.62%
	Total	\$ 21,919,200		17.63%	Total	\$ 12,175,575		15.25%
<u>Township of Wantage</u>								
	Main Land Sussex Co	\$ 11,449,000	1	0.96%	Wantage 2002, LLC	\$ 11,661,300	1	0.81%
	Tenneco, Inc.	11,213,700	2	0.94%	Main Land Sussex	9,620,000	2	0.66%
	Wantage 2002 LLC Co Ryan LLC	9,500,000	3	0.79%	Tenneco/Tennessee Gas	9,045,500	3	0.62%
	Regency Apartments	6,101,500	4	0.51%	Regency at Sussex	4,400,000	4	0.30%
	Town Center at Wantage Inc.	4,772,400	5	0.40%	United Telephone Company	3,113,073	5	0.21%
	Mountain View Manor	4,397,500	6	0.37%	P S, LLC	3,044,600	6	0.21%
	Space Farms	4,376,900	7	0.37%	Ames Rubber Corp.	3,000,000	7	0.21%
	375 Route 23 Realty, LLC	2,844,100	8	0.24%	Sussex Rural Electric Corp	2,859,900	8	0.20%
	Moove in of New Jersey, LLC	2,838,300	9	0.24%	Individual Taxpayer #1	2,500,000	9	0.17%
	Ames Rubber Corp.	2,801,800	10	0.23%	ARA 775, LLC	2,234,400	10	0.15%
	Total	\$ 60,295,200		5.05%	Total	\$ 51,478,773		3.56%

Source: Municipal Tax Assessors

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 14,223,504	\$ 14,223,504	100.00%	\$ -0-
2011	14,570,561	14,570,561	100.00%	-0-
2012	14,716,267	14,716,267	100.00%	-0-
2013	15,010,592	15,010,592	100.00%	-0-
2014	15,010,592	14,887,800	99.18%	122,792
2015	15,310,804	15,310,804	100.00%	-0-
2016	15,617,020	15,617,020	100.00%	-0-
2017	15,546,520	15,546,520	100.00%	-0-
2018	15,130,100	15,130,100	100.00%	-0-
2019	15,232,726	15,232,676	99.9997%	-0-

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income ^a	Debt Per Capita ^a
	Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
2010	-0-	-0-	\$ 249,187	-0-	\$ 249,187	0.0389%	\$ 18.14
2011	-0-	-0-	171,130	-0-	171,130	0.0267%	12.66
2012	-0-	-0-	103,462	-0-	103,462	0.0157%	7.69
2013	-0-	-0-	37,499	-0-	37,499	0.0055%	2.81
2014	-0-	-0-	2,957	-0-	2,957	0.0004%	0.22
2015	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2016	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2017	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2018	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2019	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2010	-0-	-0-	-0-	0.00%	-0-
2011	-0-	-0-	-0-	0.00%	-0-
2012	-0-	-0-	-0-	0.00%	-0-
2013	-0-	-0-	-0-	0.00%	-0-
2014	-0-	-0-	-0-	0.00%	-0-
2015	-0-	-0-	-0-	0.00%	-0-
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-
2018	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	0.00%	-0-

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

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Borough of Sussex	\$ 788,500	100.00%	\$ 788,500
Township of Wantage	7,544,900	100.00%	7,544,900
Sussex County General Obligation Debt (Borough Share)	102,675,174	0.73%	752,221
Sussex County General Obligation Debt (Township Share)	102,675,174	7.06%	<u>7,252,787</u>
Subtotal, Overlapping Debt			16,338,407
Sussex-Wantage Regional School District Direct Debt			<u>-0-</u>
Total Direct and Overlapping Debt			<u>\$ 16,338,407</u>

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

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

Equalized Valuation Basis:

	Legal Debt Margin Calculation for Fiscal Year 2019		
	Sussex Borough	Wantage Township	Total
2018	\$ 126,728,700	\$ 1,273,420,618	\$ 1,400,149,318
2017	136,130,042	1,188,077,781	1,324,207,823
2016	127,045,159	1,167,238,533	1,294,283,692
	<u>\$ 389,903,901</u>	<u>\$ 3,628,736,932</u>	<u>\$ 4,018,640,833</u>
Average Equalized Valuation of Taxable Property			<u>\$ 1,339,546,944</u>
Debt Limit (3% of average equalization value ^a)			\$ 40,186,408
Net Bonded Debt as of June 30, 2019			-0-
Legal Debt Margin			<u>\$ 40,186,408</u>

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 48,289,880	\$ 47,971,186	\$ 45,861,790	\$ 43,251,290	\$ 41,108,009
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 48,289,880</u>	<u>\$ 47,971,186</u>	<u>\$ 45,861,790</u>	<u>\$ 43,251,290</u>	<u>\$ 41,108,009</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 39,604,062	\$ 39,206,389	\$ 39,183,210	\$ 39,162,619	\$ 40,186,408
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 39,604,062</u>	<u>\$ 39,206,389</u>	<u>\$ 39,183,210</u>	<u>\$ 39,162,619</u>	<u>\$ 40,186,408</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Wantage Township

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2010	\$ 11,376	\$ 539,484,048	\$ 47,423	12.20%
2011	11,337	556,329,264	49,072	11.90%
2012	11,246	571,398,014	50,809	11.80%
2013	11,179	574,511,168	51,392	7.70%
2014	11,161	599,446,149	53,709	7.90%
2015	11,036	612,807,008	55,528	5.10%
2016	10,959	621,495,849	56,711	4.70%
2017	10,908	645,677,244	59,193	4.30%
2018	10,867	643,250,331 ***	59,193 *	3.90%
2019	10,867 **	643,250,331 ***	59,193 *	N/A

Sussex Borough

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2010	\$ 2,137	\$ 101,342,951	\$ 47,423	10.50%
2011	2,124	104,228,928	\$ 49,072	10.20%
2012	2,105	106,952,945	\$ 50,809	10.10%
2013	2,084	107,100,928	\$ 51,392	8.80%
2014	2,063	110,801,667	\$ 53,709	6.70%
2015	2,039	113,221,592	\$ 55,528	6.90%
2016	2,026	114,896,486	\$ 56,711	5.70%
2017	2,013	119,155,509	\$ 59,193	5.80%
2018	2,003	118,563,579 ***	\$ 59,193 *	5.30%
2019	2,003 **	118,563,579 ***	\$ 59,193 *	N/A

* - Latest Sussex County per capita personal income available (2017) was used for calculation purposes.

** - Latest population data available (2018) was used for calculation purposes.

*** - Latest Sussex County personal income available (2017) and latest population data available (2018) was used for calculation purposes.

N/A - Information Not Available

Source:

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

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

^c Per capita personal income for Sussex County is estimated based upon the 2000 Census published

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2018	
	Employees	Percentage of Total Employment
Newton Medical Center	1,000-4,999	1.43%-7.17%
County of Sussex	500-999	0.72%-1.43%
Thorlabs	500-999	0.72%-1.43%
Sussex County Community College	250-499	0.36%-0.72%
Newton 213 LLC, C/O Ronetco	100-249	0.14%-0.36%
Bristol Glen	100-249	0.14%-0.36%
Barn Hill Care Center	100-249	0.14%-0.36%
Home Depot	100-249	0.14%-0.36%
Kohls	100-249	0.14%-0.36%
Superior Court of Newton	100-249	0.14%-0.36%
	<u>2,850-8,990</u>	<u>4.07%-12.91%</u>
	<u>69,689</u>	
Employer	2009	
	Employees	Percentage of Total Employment
Mountain Creek/Intrawest	1,387	1.72%
Crystal Springs Golf and Spa Resort	1,153	1.43%
Newton Memorial Hospital	1,148	1.42%
County of Sussex	855	1.06%
Selective Insurance	800	0.99%
Shop Rite (Roneteo Supermarkets, Inc.)	718	0.89%
Vernon Tonwship Boar of Education	703	0.87%
Andover Sub Acute & Rehab Center	700	0.87%
Sparta Board of Education	570	0.70%
Hopatcong Board of Education	540	0.67%
	<u>8,574</u>	<u>10.62%</u>
Total Employment	<u>80,859</u>	

Source: Sussex County Chamber of Commerce

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction										
Regular	100.0	77.0	77.7	76.0	73.4	75.1	77.0	75.5	76.5	74.9
Special Education	36.8	37.8	39.5	37.5	35.5	35.5	34.0	37.0	33.0	30.5
Other Instruction	45.0	44.5	46.9	46.5	45.3	40.3	48.5	47.5	44.1	50.4
Support Services:										
Student & Instruction Related Services	29.6	30.1	29.9	29.0	28.6	27.4	27.0	26.0	31.0	30.0
General and Business Administrative Services	7.0	6.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.4
School Administrative Services	4.0	4.0	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Other Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Administrative Information Technology	1.5	1.5	2.0	2.0	2.0	3.5	4.0	4.0	4.0	3.5
Transportation	15.8	15.8	15.8	15.8	15.8	15.5	15.5	15.5	15.5	15.5
Plant Operations and Maintenance	22.8	18.8	18.8	18.8	18.8	17.3	17.0	16.7	16.7	20.2
Total	268.5	242.0	247.4	242.6	236.4	231.6	240.0	239.2	237.8	242.4

Source: School District Personnel Records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS.
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2010	1,552	\$ 25,395,475	\$ 16,363	-0.13%	155	10.1:1	9.7:1	1,531	1,449	1.19%	94.64%
2011	1,511	23,937,168	15,842	-3.18%	129	11.8:1	10.7:1	1,473	1,398	-3.79%	94.91%
2012	1,433	24,168,821	16,866	6.46%	137	11.1:1	11.0:1	1,382	1,315	-6.18%	95.15%
2013	1,360	24,266,885	17,843	5.80%	133	10.1:1	11.7:1	1,315	1,248	-4.85%	94.90%
2014	1,277	24,339,831	19,060	6.82%	135	9.2:1	9.8:1	1,227	1,169	-6.69%	95.27%
2015	1,199	24,575,481	20,497	7.54%	137	10.3:1	10.3:1	1,155	1,106	-5.87%	95.76%
2016	1,110	25,660,383	23,117	12.79%	138	9.6:1	9.6:1	1,072	1,021	-7.19%	95.24%
2017	1,096	25,789,859	23,531	1.79%	139	9.3:1	9.3:1	1,059	1,008	-1.21%	95.18%
2018	1,033	25,818,513	24,994	6.22%	137.5	7.5:1	7.5:1	1,020	966	-3.68%	94.71%
2019	1,037	27,435,398	26,457	5.85%	133.4	8.2:1	7.6:1	1,037	984	1.67%	94.89%

Note:

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

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Building</u>										
<u>Elementary</u>										
Clifton E. Lawrence Elementary School										
Square Feet	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	465	454	399	395	366	379	366	361	331	353
Wantage Elementary School										
Square Feet	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	569	521	485	413	408	359	357	345	341	356
<u>Middle School</u>										
Sussex Middle School										
Square Feet	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489
Capacity (students)	612	612	612	612	612	612	612	612	612	612
Enrollment	518	536	540	552	503	461	387	390	361	328
<u>Other</u>										
Environmental Trails Center										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Schools										
Elementary = 2										
Middle School = 1										

N/A - Not Applicable

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

Fiscal Year Ended June 30,	Lawrence		Sussex		Wantage		Environmental Trail Center		Board Office		Total
	\$		\$		\$		\$		\$		
2010	89,330		265,534		174,345		11,907		9,577		550,693
2011	157,826		155,244		123,334		2,209		7,838		446,451
2012	139,784		170,175		117,172		804		6,402		434,337
2013	146,980		173,641		127,965		766		7,443		456,795
2014	137,091		154,466		122,818		968		5,813		421,156
2015	169,275		185,583		136,700		5,889		7,196		504,643
2016	158,199		186,966		161,727		10,101		9,150		526,143
2017	153,370		175,923		132,841		919		14,607		477,660
2018	165,921		146,218		116,178		855		7,706		436,878
2019	177,685		184,622		120,237		804		10,006		493,354

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

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2019
UNAUDITED

	Coverage		Deductible
<u>SCHOOL ALLIANCE INSURANCE FUND:</u>			
School Package Policy:			
Building and Personal Property	\$ 500,000	Fund Aggregate	\$ 2,500
Auto Physical Damage			1,000
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurance			
General Aggregate	100,000,000	Fund Aggregate	
Product Completed Operations			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses	10,000		
(Excluding Students Taking Part in Athletics)			
Automobile Coverage			
Combined Single Limit			
Hired/Non Owned			
Security Guard Liability	1,000,000		Excluded
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate	10,000
	First party Fungi & Legionella		100,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler and Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal (SLPL)	5,000,000		10,000
Cyber Liability	2,000,00 Per Occurrence/Aggregate		10,000
Workers' Compensation	Statutory		
Employer's Liability	5,000,000		
Supplemental Indemnity	Statutory		
<u>SELECTIVE INSURANCE:</u>			
Treasurer of School Monies Bond Limit	250,000	Selective Insurance	
Business Administrator/Board Secretary Bond Limit	50,000	Selective Insurance	
<u>BOLLINGER</u>			
Student Accident Coverage	All students and athletes	1,000,000	Full excess

Source: School District records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Sussex-Wantage Regional School District
 County of Sussex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage Regional School District, in the County of Sussex (the "Board") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 26, 2019.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
Page 2

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

November 26, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Sussex-Wantage Regional School District
 County of Sussex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Sussex-Wantage Regional School District's (the "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 District's major federal and state programs for the fiscal year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 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 District's compliance.

Opinion on Each Major Federal and State Program

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

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
Page 2

Report on Internal Control Over Compliance

Management of the District 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 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 the Uniform Guidance and NJOMB 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 District's internal control over compliance.

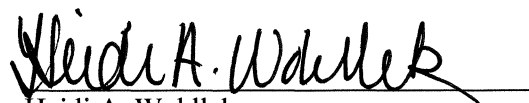
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

November 26, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expendi- tures	Balance, June 30, 2019	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Due to Grantor
Passed-through State Department of Education: Enterprise Fund										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	\$ 26,211			\$ 25,754	\$ (20,869)	\$ 4,885	
Food Distribution Program	10.555	N/A	7/1/17-6/30/18	25,127	\$ 5,342			(5,342)		
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	117,622			108,674	(117,622)		\$ (8,948)
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	120,828			10,589			
School Breakfast Program	10.553	N/A	7/1/18-6/30/19	26,066			23,869	(26,066)		(2,197)
School Breakfast Program	10.553	N/A	7/1/17-6/30/18	23,719			2,261	(169,899)		(11,145)
Total Child Nutrition Cluster							171,147	(169,899)	4,885	(11,145)
Total Enterprise Fund							171,147	(169,899)	4,885	(11,145)
U.S. Department of Education:										
Passed-through State Department of Education: Special Revenue Fund										
Elementary and Secondary Education Act Consolidated:										
Title I	84.010A	ESEA5100-19	7/1/18-6/30/19	181,188			129,875	(178,688)		(48,813)
Title I	84.010A	ESEA5100-18	7/1/17-6/30/18	204,593			82,979	(178,688)		(48,813)
Total Title I							212,854	(178,688)		(48,813)
Title II A	84.367A	ESEA5100-19	7/1/18-6/30/19	27,015			19,521	(25,204)		(5,683)
Title II A	84.367A	ESEA5100-18	7/1/17-6/30/18	37,560			7,296	(25,204)		(5,683)
Total Title II A							26,817	(25,204)		(5,683)
Title IV	84.424A	ESEA5100-19	7/1/18-6/30/19	11,661			7,679	(10,414)		(2,735)
Title IV	84.424A	ESEA5100-18	7/1/17-6/30/18	10,000			3,400	(10,414)		(2,735)
Total Title IV							11,079	(10,414)		(2,735)
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027A	IDEA510019	7/1/18-6/30/19	468,397			321,354	(435,903)		(114,549)
I.D.E.A. Part B, Basic	84.027A	IDEA510018	7/1/17-6/30/18	575,957			141,807	(143,872)		(2,065)
I.D.E.A. Part B, Basic	84.027A	IDEA510016	7/1/15-6/30/16	413,006		\$ 550				550
I.D.E.A. Preschool	84.173A	IDEA510019	7/1/18-6/30/19	19,769			17,793	(19,769)		(1,976)
I.D.E.A. Preschool	84.173A	IDEA510018	7/1/17-6/30/18	20,406			3,963	(455,672)		(118,590)
Total Special Education Cluster							484,917	(455,672)		(118,590)
Emergency Impact Aid for Displaced Students										
	84.938	N/A	7/1/17-6/30/18	17,000			17,000			
Total Special Revenue Fund and U.S. Department of Education							752,667	(669,978)		(175,821)
U.S. Department of Health and Human Services - General Fund										
Medicaid Cluster:	93.778	N/A	7/1/18-6/30/19	86,889			86,889	(86,889)		
Medicaid Assistance Program							86,889	(86,889)		
Total General Fund/Medicaid Cluster							86,889	(86,889)		
Total Federal Awards							\$ 1,010,703	\$ (926,766)	\$ 4,885	\$ (186,966)
							\$ 550	\$ 550	\$ 3,050	\$ -0-

N/A - Not Applicable

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 773,754	\$ (76,839)		\$ 76,839					\$	773,754
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	43,575	(4,327)	4,327							43,575
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	5,670,481	(563,116)	563,116							5,670,481
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	152,070	(15,102)	15,102							152,070
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	181,143	(17,989)	17,989							181,143
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	824,394	(81,868)	81,868							824,394
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	12,260	(1,217)	1,217							12,260
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	10,440	(1,037)	1,037							10,440
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	13,118	(13,118)								13,118
Nonpublic Transportation Costs	18-495-034-5120-014	7/1/17-6/30/18	43,633	(43,465)		\$ (168)						43,633
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/17-6/30/18	833,307		750,128	(833,307)				\$ (83,179)		833,307
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	39,713		35,749	(39,713)				(3,964)		39,713
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	5,670,481		5,104,463	(5,670,481)				(566,018)		5,670,481
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	155,733		140,188	(155,733)				(15,545)		155,733
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	784,782		706,446	(784,782)				(78,336)		784,782
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	15,620			(15,620)			\$ (15,620)			15,620
Nonpublic Transportation Costs	19-495-034-5120-014	7/1/18-6/30/19	373,105			(373,105)			(373,105)			373,105
Extraordinary Special Education Costs Aid	19-495-034-5120-044	7/1/18-6/30/19	47,345			(47,345)			(47,345)			47,345
Homeless Tuition Reimbursement	19-495-034-5120-005	7/1/18-6/30/19	736,200		698,681	(736,200)			(37,519)			736,200
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	869,808		869,808	(869,808)						869,808
On-Behalf TPAF Post Medical Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19	2,214			(2,214)						2,214
On-Behalf Long Term Disability Insurance Contributions	19-495-034-5094-004	7/1/18-6/30/19	1,878,255		1,878,255	(1,878,255)						1,878,255
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19	39,317		39,317	(39,317)						39,317
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19										
Subtotal - General Fund			(819,295)		11,044,712	(11,446,048)			(473,589)		(1,220,631)	19,183,008
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	24,804	\$ 12,846				\$ (12,846)				11,958
Nonpublic Handicapped Services:												
Supplementary Instruction	18-100-034-5120-066	7/1/17-6/30/18	14,273	3,647				(3,647)				10,626
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	10,714	2,768				(2,768)				7,946
Examination and Classification	18-100-034-5120-064	7/1/17-6/30/18	24,204	9,641				(9,641)				14,563
N.J. Nonpublic Textbook Aid	18-100-034-5120-070	7/1/17-6/30/18	5,588	61				(61)				5,527
N.J. Nonpublic Nursing Aid	18-100-034-5120-070	7/1/17-6/30/18	11,951	5,472				(5,472)				6,459
N.J. Nonpublic Technology Initiative	18-100-034-5120-373	7/1/17-6/30/18	3,774	2,234				(2,234)				1,540
N.J. Nonpublic Security Aid	18-100-034-5120-509	7/1/17-6/30/18	9,225	871				(871)				8,354
N.J. Nonpublic Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	12,150	5,179				(5,179)				6,971
N.J. Nonpublic Nursing Aid	15-100-034-5120-070	7/1/14-6/30/15	13,469	1,671				(1,671)				11,798
Nonpublic Auxiliary Services:												
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	31,303		31,303	(21,658)			\$ 9,645			21,658
Nonpublic Handicapped Services:												
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	14,273		14,273	(10,864)			3,409			10,864
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	10,714		10,714	(10,624)			90			10,624
Examination and Classification	19-100-034-5120-064	7/1/18-6/30/19	20,749		20,749	(15,471)			5,278			15,471
N.J. Nonpublic Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	4,432		4,432	(4,201)			231			4,201
N.J. Nonpublic Nursing Aid	19-100-034-5120-070	7/1/18-6/30/19	9,312		9,312	(6,030)			3,282			6,030
N.J. Nonpublic Technology Initiative	19-100-034-5120-373	7/1/18-6/30/19	2,988		2,988	(2,874)			114			2,874
N.J. Nonpublic Security Aid	19-100-034-5120-509	7/1/18-6/30/19	14,400		14,400	(7,200)			7,200			7,200
Subtotal - Special Revenue Fund - Department of Education			44,390		108,171	(78,922)			29,249			164,664

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2019		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
Enterprise Fund:												
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	\$ 3,434		\$ 3,175	\$ (3,434)	\$ (3,434)		\$ (259)	\$	(259)	\$ 3,434
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	3,505		312							3,505
Subtotal - Enterprise Fund							(3,434)		(259)		(259)	6,939
Total State Department of Education					11,156,370	(11,528,404)	(44,390)	(44,390)	(473,848)	29,249	(1,220,890)	19,354,611
Total State Awards												
Less: On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Medical Retirement Contributions	19-495-034-5094-001	7/1/18 - 6/30/19	(869,808)				869,808					
On-Behalf Long Term Disability Insurance Contributions	19-495-034-5094-004	7/1/18 - 6/30/19	(2,214)				2,214					
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18 - 6/30/19	(1,878,255)				1,878,255					
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18 - 6/30/19	(39,317)				39,317					
Subtotal - On-Behalf TPAF Pension System Contributions							2,789,594					
Total State Awards - for Major Program Determination												
							\$ (8,738,810)					

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Board of Education, Sussex-Wantage Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2019. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$15,670 for the general fund and \$20,396 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 86,889	\$ 11,461,718	\$ 11,548,607
Special Revenue Fund	679,492	89,804	769,296
Food Service Fund	169,899	3,434	173,333
Total Awards	<u>\$ 936,280</u>	<u>\$ 11,554,956</u>	<u>\$ 12,491,236</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2019.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*
- The auditor's report on compliance for its major federal and state award programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027A	7/1/18-6/30/19	\$ 468,397	\$ 435,903
I.D.E.A. Preschool	84.173A	7/1/18-6/30/19	19,769	19,769
<u>State:</u>				
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	833,307	833,307
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	39,713	39,713
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	5,670,481	5,670,481
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	155,733	155,733

- The threshold used for distinguishing between Type A and Type B for both federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for both federal and state programs.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Status of Prior Year Findings:

The District had no prior year audit findings.