

SCHOOL DISTRICT  
OF  
**WASHINGTON TOWNSHIP**

Washington Township School District  
Green Bank, New Jersey

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



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## **Introductory Section**

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**WASHINGTON TOWNSHIP SCHOOL DISTRICT**  
(Burlington County)  
**GREEN BANK SCHOOL**

2434 Route 563  
Phone: (609) 965-3520

Egg Harbor City, New Jersey 08215  
Fax (609) 965-6330

Honorable President and  
Members of the Board of Education  
Washington Township School District  
Green Bank, New Jersey 08215

Dear Board Members/Citizens:

It is with pleasure that we submit the Comprehensive Annual Financial Report (“CAFR”) of the Washington Township School District (“District”) for the fiscal year ended June 30, 2019. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, 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 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 as follows:

- ◆ The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- ◆ The Financial Section begins with the Independent Auditors’ Report and includes 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 other 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 Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1996, as amended, the U. S. Office of Management and Budget’s 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

## 1. REPORTING ENTITY AND ITS SERVICES

The Washington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14, as amended by GASB Statements No. 34 and No. 61. All funds and account groups of the District are included in this report. The Washington Township Board of Education and the school district constitute the District's reporting entity.

The District is a non-operating send/receive district. The district sends students to various Pre-K through grade 12 schools for regular and special education. There were 69 students in the 2017-2018 school year.

## 2. ECONOMIC CONDITION AND OUTLOOK

The Washington Township area is still experiencing a period of stagnant development, which is in part due to governmental zoning and restrictions, and in part to the economy. Population within the Township seems stable; although the school enrollment has decreased.

## 3. MAJOR INITIATIVES

All students in grades Pre-K through eighth grade attend the Mullica Township School District as part of a send/receive relationship. High school students continue to attend Greater Egg Regional High School District.

The shared services program is in place to combine Business, Technology and Treasurer services with the Mullica Township Board of Education. This is the first year of a three year revised shared services contract agreement. The agreements help to lower Washington Township's administrative costs and other overhead costs which are always disproportionately high in a school system of this size. A contract with the Greater Egg Regional High School District for transportation services has made the students' commute to the Mullica Township School District, Greater Egg Regional High School District, Burlington County Institute of Technology and Atlantic County Special Services District shorter and easier; further providing the District with cost savings.

There has been significant savings to the taxpayers of the township since becoming a non-operating school district. However, the current school tax levy is at the state mandated minimum tax levy. This means that the Board is unable to lower taxes below the current tax rate. In an effort to lower taxes, the Board of Education has formed a Tax Levy committee with the mayor and community members with the goal of working with legislators to change the law. A reduction in the minimum tax levy would further reduce the burden on the taxpayer.

## 4. INTERNAL ACCOUNTING CONTROLS

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

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

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

## 5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Funds, and the Debt Service Fund. Transfers among line items are approved by the Board of Education and reconciled with the requirements of P.L. 2004, C.73, commonly known as S-1701. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

## 6. ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally-accepted accounting principles, as promulgated by the Governmental Account Standards Board ("GASB"). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in the Notes to the Financial Statements, Note 1.

## 7. DEBT ADMINISTRATION

At June 30, 2019, the District had no long-term debt.

## 8. CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in the Notes to the Basic Financial Statements, Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## 9. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation. A Schedule of Insurance Coverage is found at Schedule J-20.

10. OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, LLC was selected by the Washington Township School District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

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

Respectfully submitted,

*Karen Gfroehrer*

Karen Gfroehrer  
Business Administrator/Board Secretary

WASHINGTON TOWNSHIP BOARD OF EDUCATION  
EGG HARBOR, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charlene Lee, President	2020
Scott Bartling, Vice President	2021
Melissa Achey (Unexpired term)	2021
Teri Giercyk	2020
Elizabeth Plummer (Unexpired term)	2021
VACANCY	2019
VACANCY	2020

Other Officials

Karen Gfroehrer, Business Administrator/Board Secretary

Dawn Stollenwerk, Treasurer

Ronald W. Sahli, Solicitor

**WASHINGTON TOWNSHIP SCHOOL DISTRICT  
Consultants and Advisors**

**Audit Firm**

Ford, Scott & Associates, L.L.C.  
1535 Haven Avenue  
Ocean City, NJ 08226

**Attorney**

Mr. Ronald Sahli  
Sahli & Padovani  
1145 S. White Horse Pike  
Hammonton, New Jersey 08037

**Official Depository**

TD Bank  
Cherry Hill, NJ

## **Financial Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Washington Township School District  
Green Bank, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Board of Education of the Washington Township School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Washington Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Township Board of Education's basic financial statements. The combining fund financial statements and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

## **Other Reporting Required by *Government Auditing Standards***

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

*Ford Scott & Associates, LLC*

Ford Scott & Associates, LLC  
Certified Public Accountants

*Nancy Sbrolla*

Nancy Sbrolla  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2426

December 6, 2019

**Required Supplemental Information**  
**Part I**

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## MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Washington Township Sending School District (“Non-operating School District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal years that ended on June 30, 2019 and 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District increased \$397,713.59 due to a decrease in tuition and benefit costs.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 2% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2019 and 2018, the District had \$1,476,918 and \$919,502 excess surplus respectively.
- During the fiscal year ended June 30, 2019, the District’s expenses incurred were \$354,730 less than total revenues realized. During the prior fiscal year, the District’s expenses were \$57,320 more than total revenues.
- This district has no business-type activities.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, capital projects, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the district’s government, reporting on the district’s operations in *more detail* than the government-wide statements.
  - > The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The following table shows how the required parts of this annual report are arranged and relate to one another.

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this over view section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Major Features of Washington Township Sending School District’s  
Government-wide and Fund Financial Statements**

Fund Statements		
Government Wide Statements		Governmental Funds
Scope	Entire District	The activities of the District
Required Financial Statements	Statement of net position  Statement of changes in net position	Balance sheet  Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year of soon thereafter.

**Government-wide Statements**

The government-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 include *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of changes in net position regardless of when cash is received or paid.

The two government-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets 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 health is improving or deteriorating, respectively.



- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the district's facilities.

The government-wide financial statements of the District have one category:

- Governmental activities – most of the District's basic services are included here, such as administration. Property taxes and state aid finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has one kind of fund:

- *Governmental funds* – All of the District's basic services are included in governmental funds, which 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 government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position increased between fiscal years 2019 and 2018 due to a decrease in tuition and benefit costs.

<b>Governmental Activities</b>		
	2019	2018
Current Assets	\$ 1,731,610	1,160,970
Restricted Cash	-	195,910
Deferred Outflows	80,227	10,162
<b>Total Assets</b>	<u>1,811,837</u>	<u>1,367,042</u>
Current Liabilities	27,911	7,912
Non-Current Liabilities	71,380	6,709
Deferred Inflows	216,102	253,691
<b>Total Liabilities</b>	<u>315,393</u>	<u>268,312</u>
Net Position:		
Restricted	1,490,815	1,115,412
Unrestricted	5,629	(16,682)
	<u>\$ 1,496,444</u>	<u>1,098,730</u>

As required by New Jersey Statutes, the unrestricted net position of the District are not permitted to exceed 2% of total general fund expenditures or \$250,000, whichever is greater. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2019 and 2018, the District had \$1,476,918 and \$919,502 excess fund balance respectively.

**Changes in net position.** The total revenue of the District decreased \$720,635 due to a decrease in the District's local tax levy, a decrease in on-behalf payments by the State, and a decrease in the Other Post Retirement Benefit liability.

Approximately 44% of the District's revenue comes from the State of New Jersey in the form of nonrestricted state aid. There was a large decrease in the other post retirement benefit liability from 2018 to 2019, causing negative balances in some expenses and operating grants and contributions for the year ended June 30, 2019.

The District expenses are primarily related to tuition, transportation and insurance. The following table summarizes the district's revenues for 2019 and 2018:

	2019	2018	Change	% Change
Property Taxes	\$ 865,303	1,235,154	(369,851)	-30%
Unrestricted State Aid	635,468	674,448	(38,980)	-6%
Operating Grants	(61,454)	248,712	(310,166)	-125%
Other	15,947	17,585	(1,638)	-9%
<b>Total</b>	<b>\$ 1,455,264</b>	<b>2,175,899</b>	<b>(720,635)</b>	<b>-33%</b>

### Governmental Activities

The following schedule summarizes the governmental activities of the District during the 2019 and 2018 fiscal year:

	Governmental Activities		Business-type Activitie		Totals	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenue						
Federal and state grants	(61,454)	248,712			(61,454)	248,712
General revenues						
Property taxes	865,303	1,235,154			865,303	1,235,154
State aid entitlements	635,468	674,448			635,468	674,448
Miscellaneous	15,947	17,585		730	15,947	18,315
<b>Total revenues</b>	<b>1,455,264</b>	<b>2,175,899</b>	<b>-</b>	<b>730</b>	<b>1,455,264</b>	<b>2,176,629</b>
<b>Expenses</b>						
Support services:						
Tuition	847,758	1,008,109			847,758	1,008,109
Student & instruction related	17,858	10,355			17,858	10,355
General admin services	(10,837)	36,622			(10,837)	36,622
Central Services	(30,706)	56,548			(30,706)	56,548
Admin Info. Tech.	13,871	13,483			13,871	13,483
Plant operations/maint	1,754	95,640			1,754	95,640
Pupil transportation	199,012	152,369			199,012	152,369
Employee Benefits	-	191,133			-	191,133
Unallocated Depreciation and	-	43,898			-	43,898
Amortization						
Capital Outlay	18,840				18,840	
Business-type activities				7,195	-	7,195
<b>Total expenses</b>	<b>1,057,550</b>	<b>1,608,157</b>	<b>-</b>	<b>7,195</b>	<b>1,057,550</b>	<b>1,615,352</b>
Excess (Deficiency) before						
Extraordinary and Special	397,714	567,742	-	(6,465)	397,714	561,277
Transfers		730		(730)	-	-
Loss on Sale of Building & Equip		(3,689,810)			-	(3,689,810)
Return of Contribution from Twp.		(9,503)			-	(9,503)
<b>Increase (decrease) in net position</b>	<b>397,714</b>	<b>(3,130,841)</b>	<b>-</b>	<b>(7,195)</b>	<b>397,714</b>	<b>561,277</b>

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year-end, the governmental funds reported a fund balance of \$1,703,699 which is \$354,731 higher than the beginning of the year. The majority of the decrease is the result of lower tuition costs and benefit costs.

### **General Fund Budgetary Highlights**

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2013-2014 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at P.O. Box 318, 500 Elwood Road, Elwood, New Jersey 08217.

**BASIC FINANCIAL STATEMENTS**

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**DISTRICT - WIDE FINANCIAL STATEMENTS**

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**Washington Township School District**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 635,885.10	635,885.10
Investments	1,006,007.00	1,006,007.00
Tax Levy Receivable	72,109.00	72,109.00
Receivables from Federal Government	1,113.00	1,113.00
Receivables from State Government	16,496.00	16,496.00
Total Assets	1,731,610.10	1,731,610.10
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	80,227.00	80,227.00
Total Deferred Outflows of Resources	80,227.00	80,227.00
<b>LIABILITIES</b>		
Accounts Payable	-	-
Due to Township	25,000.00	25,000.00
Unearned Revenue	2,911.51	2,911.51
Noncurrent Liabilities		
Pension Liability	71,380.00	71,380.00
Total liabilities	99,291.51	99,291.51
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Pensions	216,102.00	216,102.00
Total Deferred Inflows of Resources	216,102.00	216,102.00
<b>NET POSITION</b>		
Restricted for:		
Other purposes	1,490,815.00	1,490,815.00
Unrestricted	5,628.59	5,628.59
Total net position	\$ 1,496,443.59	1,496,443.59

Washington Township School District  
Statement of Change in Net Position  
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Total
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:						
Support services:						
Tuition	\$ 847,758.40				(847,758.40)	(847,758.40)
Student and Instruction Related Services	17,857.54		9,057.54		(8,800.00)	(8,800.00)
General Administration	(10,836.65)		(18,393.65)		(7,557.00)	(7,557.00)
Central Services	(30,706.18)		(52,117.88)		(21,411.70)	(21,411.70)
Admin Information Technology	13,871.00				(13,871.00)	(13,871.00)
Plant Operations and Maintenance	1,753.94				(1,753.94)	(1,753.94)
Pupil Transportation	199,011.98				(199,011.98)	(199,011.98)
Unallocated benefits	-				-	-
Capital Outlay	18,840.00				(18,840.00)	(18,840.00)
Total governmental activities	1,057,550.03		(61,453.99)		(1,119,004.02)	(1,119,004.02)
Total primary government	\$ 1,057,550.03		(61,453.99)		(1,119,004.02)	(1,119,004.02)
General revenues:						
Property taxes, levied for general purposes, net					865,303.00	865,303.00
Federal and State aid not restricted					635,468.00	635,468.00
Investment Earnings					-	-
Miscellaneous Income					15,946.61	15,946.61
Total general revenues, special items, extraordinary items and transfers					1,516,717.61	1,516,717.61
Change in Net Position					397,713.59	397,713.59
Net Position—beginning					1,098,730.00	1,098,730.00
Net Position—ending					\$ 1,496,443.59	\$ 1,496,443.59

**FUND FINANCIAL STATEMENTS**

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**Washington Township School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 631,513.23	4,371.87	635,885.10
Investments	1,006,007.00		1,006,007.00
Due from Other Funds	2,573.36		2,573.36
Tax Levy Receivable	72,109.00		72,109.00
Receivables from Federal Government		1,113.00	1,113.00
Receivables from State Government	16,496.00		16,496.00
Total assets	<u>1,728,698.59</u>	<u>5,484.87</u>	<u>1,734,183.46</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable			-
Due to Other Governments	25,000.00		25,000.00
Due to Other Funds		2,573.36	2,573.36
Unearned Revenue		2,911.51	2,911.51
Total liabilities	<u>25,000.00</u>	<u>5,484.87</u>	<u>30,484.87</u>
Fund Balances:			
Restricted for:			
Excess Surplus	745,603.00		745,603.00
Excess Surplus - Designated for subsequent year's Expenditures	731,315.00		731,315.00
Assigned to:			
Legally assigned - designated for Subsequent year's expenditures	13,897.00		13,897.00
Unassigned:			
General fund	212,883.59		212,883.59
Total Fund balances	<u>1,703,698.59</u>	<u>-</u>	<u>1,703,698.59</u>
Total Liabilities and Fund balances	<u>\$ 1,728,698.59</u>	<u>5,484.87</u>	

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

Pension Liabilities Net of Deferred Outflows & Inflows	<u>(207,255.00)</u>
Total net position of governmental activities	<u>\$ 1,496,443.59</u>

**Washington Township School District**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local tax levy	\$ 865,303.00		865,303.00
Interest	-		-
Miscellaneous	15,946.61		15,946.61
State sources	635,468.00		635,468.00
	<hr/>		<hr/>
Total revenues	1,516,717.61	-	1,516,717.61
<b>EXPENDITURES</b>			
Current:			
Support services and undistributed costs:			
Tuition	847,758.40		847,758.40
Student and Instruction Related Services	8,800.00		8,800.00
General Administration	18,129.26		18,129.26
Central Services	51,367.88		51,367.88
Administrative Information Technology	13,871.00		13,871.00
Plant Operations and Maintenance	4,208.50		4,208.50
Pupil transportation	199,011.98		199,011.98
Employee Benefits	-	-	-
Capital Outlay	18,840.00		18,840.00
Total expenditures	<hr/> 1,161,987.02 <hr/>	<hr/> - <hr/>	<hr/> 1,161,987.02 <hr/>
(Deficit) of revenues over expenditures	<hr/> 354,730.59 <hr/>	<hr/> - <hr/>	<hr/> 354,730.59 <hr/>
Net change in fund balances	354,730.59	-	354,730.59
Fund balance—July 1	1,348,968.00	-	1,348,968.00
Fund balance—June 30	<hr/> <u>\$ 1,703,698.59</u> <hr/>	<hr/> <u>-</u> <hr/>	<hr/> <u>1,703,698.59</u> <hr/>

**Washington Township School District  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2019**

**Total net change in fund balances - governmental funds (from B-2)** \$ 354,730.59

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

District pension contributions - PERS	39,377.00	
Cost of benefits earned net of employee contributions	<u>3,606.00</u>	42,983.00

<b>Change in net assets of governmental activities</b>		<u><u>\$ 397,713.59</u></u>
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## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Board of Education (Board) of the Washington Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

### **A. REPORTING ENTITY:**

The Washington Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The purpose of the district is to educate students in grades K – 12.

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

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

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

### **B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general activities are classified as governmental activities.



In the governmental-wide Statement of Net Position, both the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

### **C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund.

The following fund types are used by the District:

#### **1. Governmental Funds:**

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

#### **D. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

##### **1. Accrual:**

Government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

##### **2. Modified Accrual:**

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

#### **E. FINANCIAL STATEMENT AMOUNTS**

##### **1. Cash and Cash Equivalents:**

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

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

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the

deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

## **2. Investments:**

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

## **3. Fund Balances – Governmental Funds**

Washington Township School District elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, ect.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District’s highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

#### **4. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

#### **5. Expenditures:**

Expenses are recognized when the related fund liability is incurred.

#### **6. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. No material transfers were made during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only 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.

## **7. 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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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.

## **8. Tuition Payable**

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

## **9. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

## **10. Pension**

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

## **F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

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

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District's financial reporting.

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

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an amendment of GASB Statement No. 14 and No. 61". This statement, which is effective for fiscal period beginning after December 15, 2019, will not have any effect on the District's financial reporting.

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

## **NOTE 2 - INVESTMENTS**

As of June 30, 2019, the district had no investments.

**Interest Rate Risk.** The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk.** New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

## **NOTE 3 – CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2019, \$0 of the government's bank balance of \$1,675,513 was exposed to custodial credit risk.

## **NOTE 4 - PENSION PLANS**

### *Description of Plans*

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey

should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

#### *Teachers' Pension and Annuity Fund*

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

#### *Public Employees' Retirement System*

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

#### *Funding Policy*

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF. The School District's contributions to TPAF for the years ending June 30, 2019, 2018 and 2017 were \$0, \$0 and \$0 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2019, 2018 and 2017 were \$0, \$0, and \$0 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2019, 2018 and 2017, the State of New Jersey contributed \$0, \$0, and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$0, \$0, and \$0 during the same fiscal years for the employer's share of social security

contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

**NOTE 5 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

At June 30, 2019, the District reported a liability of \$71,380 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District’s proportion was 0.00036252980%, which was an increase of 1,157.85% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$39,377.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,361.00	368.00
Changes of assumptions	11,762.00	22,824.00
Net difference between projected and actual earnings on pension plan investments		670.00
Changes in proportion and differences between District contributions and proportionate share of contributions	67,104.00	192,240.00
District contributions subsequent to the measurement date	3,606.00	
Total	<u>\$ 83,833.00</u>	<u>\$ 216,102.00</u>

\$3,606.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:



	Year ended June 30,	
	<u>          </u>	
2019	\$	5,482.00
2020		(9,396.00)
2021		(60,266.00)
2022		(53,994.00)
2023		(17,701.00)
Total	<u>\$</u>	<u>(135,875.00)</u>

### Actuarial Assumptions

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

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

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

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

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Notes to Financial Statements  
June 30, 2019

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

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

*Discount Rate*

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of the actuarially

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June 30, 2019

determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the net pension liability	\$ 85,817	71,380	59,276

*Pension plan fiduciary net position.*

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

**NOTE 6 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

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

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>520,827.00</u>
Total	<u>\$ 520,827.00</u>

The net pension liability was measured as of June 30, 2018 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-

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term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$30,362 and revenue of \$30,362 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	11,627.00	788.00
Changes of assumptions	90,495.00	131,634.00
Net difference between projected and actual earnings on pension plan investments		47.00
Changes in proportion and differences between District contributions and proportionate share of contributions		1,418,519.00
District contributions subsequent to the measurement date	<u>12,376.00</u>	
Total	<u><u>114,498.00</u></u>	<u><u>1,550,988.00</u></u>

\$12,376 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 156,963.00
2020	81,665.00
2021	(87,134.00)
2022	(58,328.00)
2023	(287,305.00)
Thereafter	<u>(1,254,727.00)</u>
Total	<u><u>\$ (1,448,866.00)</u></u>

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

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

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

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

***Long-Term Expected Rate of Return***

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

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Notes to Financial Statements  
June 30, 2019

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

*Discount rate.* The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.78% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.86% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.86%) or 1-percentage point higher (5.86%) than the current rate:

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

*Pension plan fiduciary net position.*

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

**NOTE 7 – OTHER POST RETIREMENT BENEFITS**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirement. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

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

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

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

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

*Total OPEB Liability*

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

*Actuarial assumptions and other imputes:*

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

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

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

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

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

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

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



Washington Township School District  
Notes to Financial Statements  
June 30, 2019

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

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

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

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

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

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

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

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

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

Washington Township School District  
Notes to Financial Statements  
June 30, 2019

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

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

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

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$(71,465) determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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

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

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

Washington Township School District  
Notes to Financial Statements  
June 30, 2019

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

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

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

**NOTE 8 – MAINTENANCE RESERVE ACCOUNT**

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account 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. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s facilities for the current year.

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

Beginning Balance, July 1, 2018	\$ 195,910
Budgeted Increase - FY2019	
Excess Surplus Transfer by Board Resolution	
Withdrawals:	
Per Approved Budget	(195,910)
Board Resolution	
	<hr/>
Ending Balance, June 30, 2019	<u>\$ -</u>

**NOTE 9 – FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$1,757,311 General Fund balance at June 30, 2019, \$0 is reserved for encumbrances; \$1,476,918 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$731,315 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$13,897 has been appropriated and also included as anticipated revenue for the year ending June 30, 2020; and \$266,496 is unassigned.

**NOTE 10 – CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$1,476,918 of which \$731,315 has been appropriated and included as anticipated revenue for the year ending June 30, 2020.

**NOTE 11 – 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. During the fiscal year ended June 30, 2019, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Property and Liability Insurance – The district maintains commercial insurance coverage for property and liability insurance. As a non-operating district, the only assets for coverage purposes are those in the office of the Board Secretary.

**NOTE 12 – LITIGATION**

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

**NOTE 13 – SUBSEQUENT EVENTS**

The District has evaluated events through December 6, 2019, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**Required Supplemental Information**  
**Part II**

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**BUDGETARY COMPARISON SCHEDULES**

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Washington Township School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Under/(Over) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 865,303.00		865,303.00	865,303.00	-
Miscellaneous	1,200.00		1,200.00	15,946.61	14,746.61
<b>Total - Local Sources</b>	<b>866,503.00</b>	<b>-</b>	<b>866,503.00</b>	<b>881,249.61</b>	<b>14,746.61</b>
State Sources:					
School Choice Aid	14,422.00		14,422.00	14,422.00	-
Transportation Aid	83,884.00		83,884.00	83,884.00	-
Special Education Aid	52,560.00		52,560.00	52,560.00	-
Equalization Aid	145,473.00		145,473.00	145,473.00	-
Security Aid	9,777.00		9,777.00	9,777.00	-
Adjustment Aid	354,206.00	(48,074.00)	306,132.00	306,132.00	-
Extraordinary Aid			-	16,496.00	16,496.00
<b>Total - State Sources</b>	<b>660,322.00</b>	<b>(48,074.00)</b>	<b>612,248.00</b>	<b>628,744.00</b>	<b>16,496.00</b>
<b>Total Revenues</b>	<b>1,526,825.00</b>	<b>(48,074.00)</b>	<b>1,478,751.00</b>	<b>1,509,993.61</b>	<b>31,242.61</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	839,557.00		839,557.00	754,158.40	85,398.60
Tuition to County Voc. School Dist. - Regular	3,380.00		3,380.00	3,380.00	3,380.00
Tuition to CSSD & Reg. Day Schools	96,436.00		96,436.00	93,600.00	2,836.00
<b>Total Undistributed Expenditures - Instruction</b>	<b>939,373.00</b>	<b>-</b>	<b>939,373.00</b>	<b>847,758.40</b>	<b>91,614.60</b>
Undistributed Expenditures - Speech, OT, PT and Related Services					
Purchased Professional - Educational Services	1,900.00	1,900.00	3,800.00	3,800.00	-
<b>Total Undistributed Expenditures - Speech, OT, PT and Related Services</b>	<b>1,900.00</b>	<b>1,900.00</b>	<b>3,800.00</b>	<b>3,800.00</b>	<b>-</b>
Undistributed Expenditures - Child Study Team					
Purchased Professional - Educational Services	110,000.00	(1,900.00)	108,100.00	5,000.00	103,100.00
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>110,000.00</b>	<b>(1,900.00)</b>	<b>108,100.00</b>	<b>5,000.00</b>	<b>103,100.00</b>

Washington Township School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2019

Undistributed Expenditures - Support Services - Gen. Admin.:					
Legal Services	6,000.00		6,000.00		6,000.00
Audit Fees	10,200.00		10,200.00		10,115.00
Other Purchased Professional Services	102,352.00		102,352.00		5,040.00
Communications/Telephone	200.00		200.00		200.00
Miscellaneous Purchased Services	900.00		900.00		305.18
Miscellaneous Expenditures	2,840.00		2,840.00		890.94
BOE Membership Dues and Fees	2,500.00		2,500.00		1,778.14
Total Undistributed Expenditures - Support Services - Gen. Admin.	124,992.00	-	124,992.00		18,129.26
Undistributed Expenditures - Central Services:					
Purchased Professional Services	150,907.00	(200.00)	150,707.00		50,907.00
Supplies and Materials	1,500.00		1,500.00		270.59
Miscellaneous Expenditures		200.00	200.00		190.29
Total Undistributed Expenditures - Central Services	152,407.00	-	152,407.00		51,367.88
Undistributed Expenditures - Admin. Info Technology					
Purchased Technical Services	14,191.00		14,191.00		13,871.00
Total Undistributed Expenditures - Admin. Info Technology	14,191.00		14,191.00		13,871.00
Undistributed Expenditures - Req. Maint for School Facilities					
Cleaning, Repair, and Maintenance Services	195,910.00		195,910.00		195,910.00
Total Undistributed Expenditures - Req. Maint. For School Facilities	195,910.00		195,910.00		195,910.00
Undistributed Expenditures - Custodial Services					
Insurance	13,140.00		13,140.00		4,208.50
Total Undistributed Expenditures - Custodial Services	13,140.00		13,140.00		4,208.50
Total Undistributed Expenditures - Maintenance of School Facilities	209,050.00		209,050.00		4,208.50
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	10,000.00		10,000.00		8,443.15
Contracted Services - (Between Home and School) - Joint Agreements	263,589.00	(49,324.00)	214,265.00		188,318.83
Contracted Services - (Special Ed Students) - Joint Agreements	31,304.00		31,304.00		31,304.00
Contracted Services - Aid in Lieu of Payments - Non-Public	1,000.00		1,000.00		1,000.00
Other Purchased Professional Services		1,250.00	1,250.00		1,250.00
Total Undistributed Expenditures - Student Transportation Serv.	305,893.00	(48,074.00)	257,819.00		199,011.98

Washington Township School District  
 Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2019

Unallocated Benefits:						
Workers Compensation Insurances	49,824.00		49,824.00			49,824.00
Total Unallocated Benefits	49,824.00	-	49,824.00	-		49,824.00
Total Undistributed Expenditures	1,907,630.00	(48,074.00)	1,859,556.00	1,143,147.02		716,408.98
<b>Total Expenditures - Current Expense</b>	<b>1,907,630.00</b>	<b>(48,074.00)</b>	<b>1,859,556.00</b>	<b>1,143,147.02</b>		<b>716,408.98</b>
<b>Capital Outlay:</b>						
Facilities Acquisition and Construction Services	18,840.00		18,840.00	18,840.00		-
Assessment for Debt Service on SDA Funding						
Total Facilities Acquisition and Construction Services	18,840.00	-	18,840.00	18,840.00		-
<b>Total Capital Outlay</b>	<b>18,840.00</b>	<b>-</b>	<b>18,840.00</b>	<b>18,840.00</b>		<b>-</b>
<b>Transfer to Charter Schools</b>						
<b>Total Expenditures</b>	<b>1,926,470.00</b>	<b>(48,074.00)</b>	<b>1,878,396.00</b>	<b>1,161,987.02</b>		<b>716,408.98</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(399,645.00)	-	(399,645.00)	348,006.59		747,651.59
Fund Balances, July 1	1,409,305.00	-	1,409,305.00	1,409,305.00		-
Fund Balances, June 30	\$ 1,009,660.00	-	1,009,660.00	1,757,311.59		747,651.59

**Recapitulation:**

<b>Restricted Fund Balance:</b>	
Restricted Fund Balance - Excess Surplus	745,603.00
Restricted Fund Balance - Excess Surplus - Designated for Subsequent Year's Expenditures	731,315.00
<b>Assigned Fund Balance:</b>	
Legally Assigned - Designated for subsequent year's expenditures	13,897.00
Unassigned Fund Balance	266,496.59
	<u>1,757,311.59</u>
Reconciliation to Governmental Funds Statements (GAAP)	
Last State Aid payment not recognized on GAAP basis	(53,613.00)
Fund Balance per Governmental Funds (GAAP)	<u>1,703,698.59</u>

**Washington Township School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2019**

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

	General Fund
<b>Sources/inflows of resources</b>	
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 1,509,993.61
Difference - budget to GAAP:	
Receipt of prior year final state aid payment	60,337.00
Deferral of final state aid payment	(53,613.00)
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	1,516,717.61
<b>Uses/outflows of resources</b>	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	1,161,987.02
No differences - budget to GAAP:	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 1,161,987.02

**Required Supplemental Information**  
**Part III**

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**Washington Township School District  
Schedule of District Contributions  
Public Employee Retirement System  
Last Six Fiscal Years**

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00036252980%	0.0000288215%	0.1297972200%	0.1290286100%	0.1575840300%	0.1470511000%
District's proportionate of the net pension liability (asset)	\$ 71,380.00	6,709.00	384,422.00	289,643.00	295,040.00	281,044.00
District's covered payroll	-	-	92,230.00	77,788.00	89,007.00	103,553.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	416.81%	372.35%	331.48%	271.40%
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

**Washington Township School District  
Schedule of District Contributions  
Public Employee Retirement System  
Last Six Fiscal Years**

	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 3,606	267.00	11,674.00	11,531.00	11,093.00	12,991.00
Contributions in relation to the contractually required contribution	3,606	267.00	11,674.00	11,531.00	11,093.00	12,991.00
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	\$ -	-	92,230.00	77,788.00	89,007.00	103,553.00
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	12.66%	14.82%	12.46%	12.55%

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

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



**Washington Township School District  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Teachers' Pension and Annuity Fund  
Last Six Fiscal Years**

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	520,827.00	2,022,520.00	2,047,889.00	1,625,477.00	1,822,623.00	2,960,572.00
Total	<u>520,827.00</u>	<u>2,022,520.00</u>	<u>2,047,889.00</u>	<u>1,625,477.00</u>	<u>1,822,623.00</u>	<u>2,960,572.00</u>
District's covered payroll	-	-	280,814.00	272,465.00	264,280.00	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**Washington Township School District**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Three Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>2,678,464.00</u>	<u>4,024,517.00</u>	<u>                    </u>
Total	<u>\$ 2,678,464.00</u>	<u>4,024,517.00</u>	<u>                    </u>
District's covered payroll	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

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

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

## **Statistical Section**

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**Washington Township School District  
Net Position by Component,  
Last Ten Fiscal Years  
Unaudited**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net Investment in Capital Assets										
Restricted	\$ 5,710,791.00	4,579,467.00	4,414,192.00	4,277,744.00	4,160,818.00	4,028,463.00	3,898,255.00	3,733,708.00	-	1,490,815.00
Unrestricted	155,928.00	538,797.00	620,295.00	615,617.00	642,441.00	436,899.00	413,958.00	597,605.00	1,115,412.00	5,628.59
Total governmental activities net position	218,861.00	169,864.00	161,040.00	174,614.00	168,950.00	(117,956.00)	(110,608.00)	(101,742.00)	(16,682.00)	1,496,443.59
	6,085,580.00	5,288,148.00	5,195,527.00	5,067,975.00	4,972,209.00	4,347,406.00	4,201,605.00	4,229,571.00	1,098,730.00	1,496,443.59
<b>Business-Type Activities</b>										
Net Investment in Capital Assets										
Unrestricted	-	-	25,727.00	22,254.00	18,784.00	15,314.00	12,474.00	7,195.00	-	-
Total governmental activities net position	28,329.00	18,937.00	13,444.00	5,748.00	3,381.00	2,282.00	(2,092.00)	-	-	-
	28,329.00	18,937.00	39,171.00	28,002.00	22,165.00	17,596.00	10,382.00	7,195.00	-	-
<b>District-wide</b>										
Net Investment in Capital Assets										
Restricted	5,710,791.00	4,579,467.00	4,439,919.00	4,299,988.00	4,179,602.00	4,043,777.00	3,910,729.00	3,740,903.00	-	-
Unrestricted	155,928.00	538,797.00	620,295.00	615,617.00	642,441.00	436,899.00	413,958.00	597,605.00	1,115,412.00	1,490,815.00
Total district net position	247,190.00	188,821.00	174,484.00	180,362.00	172,331.00	(115,674.00)	(112,700.00)	(101,742.00)	(16,682.00)	5,628.59
	\$ 6,113,909.00	5,307,065.00	5,234,698.00	5,085,977.00	4,994,374.00	4,365,002.00	4,211,987.00	4,236,766.00	1,088,730.00	1,496,443.59

Source: CAFR Schedule A-1

Washington Township School District  
Changes in Net Position, Last Ten Fiscal Years  
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
Instruction:										
Regular	\$ 926,382.00	746,967.00	579,860.00	379,457.00	405,073.00	368,645.00	327,184.00	27,464.00	-	-
Special Education	101,220.00	84,480.00	80,134.00	60,563.00	42,698.00	44,855.00	51,526.00	-	-	-
Other Instruction	2,500.00	116.00	-	-	-	-	-	-	-	-
Support Services:										
Tuition	326,930.00	403,290.00	618,533.00	731,892.00	836,390.00	1,069,536.00	1,089,208.00	1,289,114.00	1,008,109.00	847,758.40
Student & instruction related services	218,479.00	224,392.00	221,701.00	159,873.00	131,763.00	144,543.00	148,606.00	11,510.00	10,355.00	17,857.54
General & Business Administrative Services	70,743.00	50,798.00	36,988.00	36,275.00	35,332.00	34,307.00	38,856.00	42,419.00	36,622.00	(10,836.65)
School Administrative Services	17,095.00	16,975.00	12,904.00	12,450.00	12,280.00	12,200.00	12,200.00	-	-	-
Central Services	24,232.00	25,893.00	18,857.00	17,476.00	17,024.00	17,991.00	17,900.00	11,178.00	56,548.00	(30,706.18)
Administrative Information Technology	9,384.00	5,624.00	5,736.00	5,966.00	10,704.00	10,885.00	9,800.00	5,000.00	13,483.00	13,871.00
Plant Operations and Maintenance	199,954.00	208,868.00	196,642.00	159,905.00	166,925.00	167,088.00	177,589.00	146,885.00	95,640.00	1,753.94
Pupil transportation	179,991.00	31,840.00	161,226.00	159,443.00	136,001.00	136,645.00	162,500.00	189,506.00	152,369.00	199,011.98
Employee Benefits	-	-	-	222,188.00	163,123.00	254,451.00	253,792.00	209,230.00	191,133.00	-
Unallocated Increase in Compensated Absences	-	-	-	-	-	-	-	-	-	-
Unallocated Depreciation and Amortization	140,793.00	144,285.00	138,308.00	136,448.00	136,448.00	135,605.00	135,605.00	159,150.00	43,898.00	18,840.00
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Transfer to Charter Schools	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	2,217,703.00	1,943,528.00	2,070,889.00	2,081,936.00	2,093,751.00	2,396,552.00	2,424,746.00	2,091,256.00	1,606,157.00	1,057,550.03
Business-Type Activities										
Food Service	47,470.00	26,610.00	26,587.00	22,773.00	18,447.00	19,475.00	20,402.00	5,279.00	7,195.00	-
Total Business-Type Activities	47,470.00	26,610.00	26,587.00	22,773.00	18,447.00	19,475.00	20,402.00	5,279.00	7,195.00	-
Total district expenses	2,265,173.00	1,970,138.00	2,097,476.00	2,104,709.00	2,112,198.00	2,416,027.00	2,445,148.00	2,096,535.00	1,615,352.00	1,057,550.03
<b>Program Revenues</b>										
Governmental activities										
Operating grants and contributions	94,923.00	91,260.00	91,260.00	220,218.00	203,340.00	174,141.00	163,405.00	188,667.00	248,712.00	(61,453.99)
Total governmental activities program revenues	94,923.00	91,260.00	91,260.00	220,218.00	203,340.00	174,141.00	163,405.00	188,667.00	248,712.00	(61,453.99)
Business-Type Activities										
Charged for Services:										
Food Service	15,240.00	7,851.00	9,643.00	4,108.00	5,188.00	7,864.00	6,527.00	2,092.00	-	-
Operating grants and Contributions	18,975.00	9,367.00	7,978.00	7,497.00	7,422.00	6,661.00	6,661.00	-	-	-
Total Business-Type Activities Program Revenues	34,215.00	17,218.00	17,621.00	11,605.00	12,610.00	14,525.00	13,188.00	2,092.00	-	-
Total District Program Revenues	129,138.00	108,478.00	108,881.00	231,823.00	215,950.00	188,666.00	176,593.00	190,759.00	248,712.00	(61,453.99)



Washington Township School District  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
*Unaudited*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted		310,331.00	532,060.00	466,957.00	371,794.00	279,974.00	395,030.00	575,488.00	1,115,412.00	1,476,918.00
Assigned	\$ -	218,964.00	78,733.00	139,157.00	261,144.00	147,422.00	9,425.00	12,614.00	29,996.00	13,897.00
Unassigned		188,087.00	180,272.00	194,753.00	190,069.00	193,447.00	196,239.00	204,982.00	203,560.00	212,883.59
Reserved	143,810.00									
Unreserved	239,560.00									
Total general fund	<u>383,370.00</u>	<u>717,382.00</u>	<u>791,065.00</u>	<u>800,867.00</u>	<u>823,007.00</u>	<u>620,843.00</u>	<u>600,694.00</u>	<u>793,084.00</u>	<u>1,348,968.00</u>	<u>1,703,698.59</u>
All Other Governmental Funds:										
Reserved	2,615.00									
Unreserved, Reported In:										
Capital Projects Fund	9,503.00									
Restricted for:										
Capital Projects Fund		9,503.00	9,503.00	9,503.00	9,503.00	9,503.00	9,503.00	9,503.00	-	-
Total All Other Governmental Funds	<u>\$ 12,118.00</u>	<u>9,503.00</u>	<u>9,503.00</u>	<u>9,503.00</u>	<u>9,503.00</u>	<u>9,503.00</u>	<u>9,503.00</u>	<u>9,503.00</u>	<u>-</u>	<u>-</u>

Source: CAFR Schedule B-1



**Washington Township School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*Unaudited*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax levy	\$ 1,249,077.00	1,425,743.00	1,169,139.00	1,187,766.00	1,206,765.00	1,226,145.00	1,420,963.00	1,235,154.00	1,235,154.00	865,303.00
Miscellaneous	15,494.00	24,386.00	8,618.00	44.00	6,924.00	504.00	827.00	12,860.00	17,585.00	15,946.61
Local sources				2,391.00		1,185.00	1,688.00	2,600.00	2,393.00	
State sources	807,377.00	732,695.00	762,156.00	731,747.00	723,310.00	708,715.00	760,754.00	744,483.00	694,772.00	635,468.00
Federal sources	67,425.00	46,400.00	65,322.00	32,437.00	60,986.00	32,074.00	41,124.00	3,996.00	-	-
Total revenue	2,139,373.00	2,229,224.00	2,005,235.00	1,954,385.00	1,997,985.00	1,968,623.00	2,225,356.00	1,999,093.00	1,949,904.00	1,516,717.61
<b>Expenditures</b>										
Instruction:										
Regular	729,917.00	569,096.00	440,748.00	379,457.00	405,073.00	368,645.00	327,184.00	27,464.00	-	-
Special Educator	81,879.00	65,277.00	63,867.00	60,563.00	42,698.00	44,655.00	51,526.00	-	-	-
Other	2,500.00	116.00	-	-	-	-	-	-	-	-
Support Services:										
Tuition	326,930.00	403,290.00	618,533.00	731,892.00	836,390.00	1,069,536.00	1,089,208.00	1,289,114.00	1,008,109.00	847,758.40
Student & instruction related services	196,019.00	192,489.00	186,779.00	159,873.00	131,753.00	144,543.00	148,606.00	11,510.00	10,355.00	8,800.00
General & Business Administration Services	67,330.00	50,482.00	36,530.00	36,275.00	35,332.00	34,307.00	38,856.00	42,419.00	36,622.00	18,129.26
School Administrative Services	17,095.00	16,975.00	12,904.00	12,450.00	12,280.00	12,200.00	12,200.00	-	-	-
Central Services	24,232.00	25,893.00	18,857.00	17,476.00	17,024.00	17,991.00	17,900.00	11,178.00	56,548.00	51,367.88
Administrative Information Technology	9,384.00	5,624.00	5,736.00	5,966.00	10,704.00	10,885.00	9,800.00	5,000.00	13,483.00	13,871.00
Plant Operations and Maintenance	162,290.00	147,732.00	160,949.00	147,687.00	167,607.00	148,249.00	158,729.00	127,845.00	76,800.00	4,208.50
Pupil transportation	179,991.00	123,100.00	137,193.00	159,443.00	136,001.00	136,645.00	162,500.00	189,506.00	152,369.00	199,011.98
Unallocated Benefits	284,393.00	277,615.00	240,552.00	221,282.00	162,143.00	161,041.00	210,156.00	83,827.00	1,300.00	-
On-Behalf TPAF Pension & Social Security									20,324.00	-
Capital Outlay	79,702.00	20,138.00	8,903.00	12,218.00	18,840.00	22,090.00	18,840.00	18,840.00	18,840.00	18,840.00
Charter Schools										
Total expenditures	2,161,662.00	1,897,827.00	1,931,551.00	1,944,582.00	1,975,845.00	2,170,787.00	2,245,505.00	1,806,703.00	1,394,750.00	1,161,987.02
Excess (Deficiency) of revenues over (under) expenditures	(22,289.00)	331,397.00	73,684.00	9,803.00	22,140.00	(202,164.00)	(20,149.00)	192,390.00	555,154.00	354,730.59
<b>Other Financing sources (uses)</b>										
Transfers in/(Out)	(15,100.00)	(15,100.00)	-	-	-	-	-	-	730.00	-
Return of Contribution from Township	-	-	-	-	-	-	-	-	(9,503.00)	-
Total other financing sources (uses)	(15,100.00)	(15,100.00)	-	-	-	-	-	-	(8,773.00)	-
Net change in fund balances	\$ (37,389.00)	316,297.00	73,684.00	9,803.00	22,140.00	(202,164.00)	(20,149.00)	192,390.00	546,381.00	354,730.59

Source: CAFR Schedule B-2

**Washington Township School District**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Interest on Investments	Donations	Misc.	Total
2010	839.00	-	-	839.00
2011	1,861.00	18,000.00	1,522.00	21,383.00
2012	79.00	-	974.00	1,053.00
2013	-	-	44.00	44.00
2014	-	-	6,924.00	6,924.00
2015	-	-	504.00	504.00
2016	-	-	827.00	827.00
2017	-	-	12,860.00	12,860.00
2018	2,745.00	-	14,840.00	17,585.00
2019	14,080.00	-	1,866.00	15,946.00

Source: District Records

**Washington Township School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities a	Net Valuation Taxable	Total Direct School Tax Rate b	Estimated Actual (County Equalized Value)
2010	3,848,700	92,291,200	8,906,600	1,657,100	14,853,400	2,099,400	123,756,400		389,388	124,145,798	0.734	
2011	3,846,600	91,157,600	9,206,600	1,651,300	14,903,400	2,099,400	122,964,900		383,325	123,348,225	0.819	
2012	3,849,100	90,844,400	9,346,500	1,653,600	14,903,400	2,099,400	122,796,400		359,973	123,156,373	0.820	
2013	4,035,200	89,246,300	9,679,500	1,653,600	14,903,400	2,099,400	121,617,400		259,541	121,876,941	0.819	
2014	3,331,200	68,504,600	8,059,400	1,692,400	12,580,400	1,715,000	95,883,000		259,541	96,142,541	1.126	
2015	3,293,700	68,814,800	7,989,000	1,692,400	12,580,400	1,715,000	96,085,300		265,655	96,350,955	1.231	
2016	3,453,300	68,521,600	7,989,000	1,692,400	12,580,400	1,715,000	95,951,700	100	100	95,951,800	1.342	
2017	3,652,000	69,041,300	6,673,000	1,692,400	12,580,400	1,715,000	95,354,100	100	100	95,354,200	1.295	92,227,361
2018	43,877,950	51,067,600	-	-	-	-	94,945,550	100	100	94,945,650	1.080	90,833,611
2019	43,638,300	51,035,300	-	-	-	-	94,673,600	100	100	94,673,700	0.869	

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**Washington Township School District**  
**Direct and Overlapping Property Tax Rates**  
**Rate per \$100 of Assessed Value**  
**Last Ten Calendar Years**  
*Unaudited*

Fiscal Year Ended June 30,	Washington Township School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate a	General	Total Direct	Township of Washington	Burlington County	
		Obligation Debt Service b				
2010	0.734		0.734		0.355	1.089
2011	0.819		0.819		0.326	1.145
2012	0.820		0.820		0.319	1.139
2013	0.819		0.819		0.334	1.153
2014	1.126		1.126		0.383	1.509
2015	1.231		1.231		0.777	2.008
2016	1.342		1.342		0.397	1.739
2017	1.295		1.295		0.384	1.679
2018	1.080		1.080		0.389	1.469
2019	0.869		0.869		0.382	1.251

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other component 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.

**Washington Township School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago  
*Unaudited***

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
M&T Family Holdings, LLC	4,140,500	1	4.3609%			
Wading Pines Camping Resort, Inc	3,935,000	2	4.1445%			
Stormy Hill Inc	3,898,600	3	4.1061%			
Taxpayer #1	1,365,100	4	1.4378%			
Taxpayer #2	1,286,000	5	1.3545%			
Stormy Hill Inc	1,020,700	6	1.0750%			
Pacemaker Properties, LLC	1,015,000	7	1.0690%			
Taxpayer #3	741,900	8	0.7814%			
Vision Properties, Lower Bank	675,000	9	0.7109%			
Taxpayer #4	597,600	10	0.6294%			
<b>Total</b>	<b>18,675,400</b>		<b>19.670%</b>	<b>-</b>		<b>0.000%</b>

Information not available

Source: District CAFR & Municipal Tax Assessor

94,673,600

**Washington Township School District**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	1,249,077.00	1,249,077.00	100%	
2011	1,425,743.00	1,425,743.00	100%	
2012	1,169,139.00	1,169,139.00	100%	
2013	1,187,766.00	1,187,766.00	100%	
2014	1,206,765.00	1,206,765.00	100%	
2015	1,226,145.00	1,226,145.00	100%	
2016	1,420,963.00	1,420,963.00	100%	
2017	1,235,154.00	1,235,154.00	100%	
2018	1,235,154.00	1,235,154.00	100%	
2019	865,303.00	793,194.38	92%	72,108.62

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

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

**Washington Township School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income a	Per Capita a
	General Obligation Bonds b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2010								
2011								
2012								
2013								
2014								
2015								
2016								
2017								
2018								
2019								

*Not applicable - the district does not have any debt*

**Washington Township School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*Unaudited*

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value a of Property	Per Capita b
	General Obligation Bonds	Deductions			
2010					
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					

*Not applicable - the district does not have any debt*



**Washington Township School District**  
**Ratios of Overlapping Governmental Activities Debt**  
**As of June 30, 2019**  
**Unaudited**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable a</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Washington Township	not available	100.000%	
<b>Other debt</b>			
County of Burlington	253,458,314.22	19%	47,855,893
Subtotal, overlapping debt			47,855,893
<b>Washington Township School District</b>			-
<b>Total direct and overlapping debt</b>			47,855,893

**Sources:** Township of Washington Finance Officer, Burlington County Finance Office

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

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

Washington Township School District  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
*Unaudited*

Legal Debt Margin Calculation for Fiscal Year 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
Debt limit	4,833,630.00	4,599,117.00	4,236,503.00	4,236,503.00	4,106,488.00	4,023,519.00	3,694,979.00	2,765,981.00	2,726,231.00	-
Total net debt applicable to limit <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Legal debt margin	4,833,630.00	4,599,117.00	4,236,503.00	4,236,503.00	4,106,488.00	4,023,519.00	3,694,979.00	2,765,981.00	2,726,231.00	-
Total net debt applicable to the limit <sup>1</sup> as a percentage of debt limit										

  

	2016	2017	2018
Equalized valuation basis	89,348,822.00	91,326,587.00	-
[A]	180,675,419.00	-	-
[A/3]	60,225,140.00	-	-
[B]	-	-	-
[C]	-	-	-
[B-C]	-	-	-

  

	2016	2017	2018
Debt limit (3% of average equalization value) <sup>a</sup>	3,694,979.00	2,765,981.00	2,726,231.00
Net bonded school debt	-	-	-
Legal debt margin	3,694,979.00	2,765,981.00	2,726,231.00

\* 2019 information not available

*Not applicable - the district does not have any debt*

Source: Abstract of Rates and District Records CAFR Schedule J-7

<sup>a</sup> The district is non-operating and does not have an applicable debt allowance

**Washington Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*Unaudited***

Year	Population a	Personal Income (thousands of dollars) b	Per Capita Personal Income c	Unemployment Rate d
2010	685	32,869,725	47,985	13.80%
2011	687	34,141,839	49,697	14.30%
2012	683	34,654,737	50,739	8.60%
2013	684	34,977,024	51,136	1.60%
2014	673	35,563,339	52,843	5.70%
2015	673	37,251,223	55,351	7.60%
2016	696	39,541,152	56,812	6.70%
2017	710	39,774,200	56,020	6.20%
2018	707	40,630,583	57,469	6.20%
2019	710	42,357,890	59,659	5.80%

**Source:**

a Population information provided by the NJ Dept of Labor and Workforce Development - most recent information is as of 7/1/08

b Personal income provided by the US Dept. of Commerce, Bureau of Economic Analysis.

c Per Capita information provided by the US Dept. of Commerce, Bureau of Economic Analysis - most recent information is as of 7/1/08

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

**Washington Township School District  
Principal Employers,  
Current Year and Nine Years Ago  
*Unaudited***

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
	-			-		
	-			-		-

*Information is not available*

**Washington Township School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Unaudited**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Instruction	8.80	7.60	6.40	3.93	4.47	4.47	4.47	-	-	-
Regular	1.00	1.00	2.70	0.68	0.68	0.68	0.68	-	-	-
Special education										
Support Services:	1.00	1.00	1.00	1.00	0.96	1.00	1.00	-	-	-
Student & instruction related services		0.50	-	0.50	0.50	0.50	0.50	-	-	-
General administrative services		0.50	-	0.50	0.50	0.50	0.50	-	-	-
School administrative services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Plant operations and maintenance	1.00	1.00	1.00	1.00						
Pupil transportation	1.40	1.00								
Food Service										
<b>Total</b>	<b>14.20</b>	<b>13.60</b>	<b>12.10</b>	<b>8.61</b>	<b>8.11</b>	<b>8.15</b>	<b>8.15</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Source: District Personnel Records**

Washington Township School District  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b		Pupil/Teacher Ratio		Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Elementary	Middle School						
2010	-	-	-	0.00%	-	-	-	-	-	-	-	-
2011	-	-	-	0.00%	-	-	-	-	-	-	-	-
2012	-	-	-	0.00%	-	-	-	-	-	-	-	-
2013	-	-	-	0.00%	-	-	-	-	-	-	-	-
2014	-	-	-	0.00%	-	-	-	-	-	-	-	-
2015	-	-	-	0.00%	-	-	-	-	-	-	-	-
2016	-	-	-	0.00%	-	-	-	-	-	-	-	-
2017	-	-	-	0.00%	-	-	-	-	-	-	-	-
2018	-	-	-	0.00%	-	-	-	-	-	-	-	-
2019	-	-	-	0.00%	-	-	-	-	-	-	-	-

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

The district is non-operating, and does not have ADE or ADA

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-
- b Not required Sending District
- c Not required Sending District

**Washington Township School District  
School Building Information  
Last Ten Fiscal Years  
*Unaudited***

	2010	2011	2012	2013	2014	2015	2016	2017*	2018**	2019**
Green Bank School (2006)										
Square Feet	25,321	25,321	25,321	25,321	25,321	25,321	25,321	25,321	N/A	N/A
Capacity (Students)	250	250	250	250	250	250	250	250	N/A	N/A
Enrollment PK-8	70	60	45	37	31	42	36	-	N/A	N/A

**Source: District records, ASSA**

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

Washington Township School District  
 General Fund  
 Schedule of Required Maintenance for School Facilities  
 Last Nine Years  
*Unaudited*

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

School Facilities	Project # (s)	2019	2018	2017	2016	2015	2014	2013	2012	2011
Green Bank Elementary School		-	2,040.00	13,532.00	31,573.00	16,828.00	18,966.00	11,087.00	12,631.00	10,973.00
Total School Facilities		-	2,040.00	13,532.00	31,573.00	16,828.00	18,966.00	11,087.00	12,631.00	10,973.00
Other Facilities										
Grand Total		-	2,040.00	13,532.00	31,573.00	16,828.00	18,966.00	11,087.00	12,631.00	10,973.00

*District building was sold during the 2018 year.*



**Washington Township School District  
Insurance Schedule  
June 30, 2019  
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:		
Property		
Blanket Coverage for Building and Contents	\$ 5,456,500	1,000
Extra Expense	50,000,000	1,000
Papers and Records	10,000,000	1,000
Electronic Hardware and Software	75,000	1,000
General Liability	6,000,000	N/A
Medical Expense Limit	10,000	1,000
Employee Benefits Liability	6,000,000	N/A
Automobile	6,000,000	N/A
Sexual Abuse Liability	6,000,000	N/A
School Board Legal Liability	5,000,000	1000
Boiler and Machinery	100,000,000	1,000
Surety Bonds:		
Treasurer	130,000	
Board Secretary/Business Administrator	100,000	

Source: District Records

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## **Single Audit Section**

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# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-1

## Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
Washington Township School District  
County of Burlington  
Green Bank, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the Washington Township School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 6, 2019.

### **Internal Control over Financial Reporting**

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

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

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Ford Scott & Associates, LLC*

Ford Scott & Associates, LLC  
Certified Public Accountants

*Nancy Sbrolla*

Nancy Sbrolla  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2426

December 6, 2019

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2018	Adjustments	Carryover (Waikover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) 06/30/2019	Deferred Revenue/ 06/30/2019	Due to Grantor 06/30/2019
<b>U.S. Department of Education Passed-Through State Department of Education Special Revenue Fund: Title I - Part A Cluster:</b>														
Total Title I - Part A Cluster	84.010	S010A140030	100-034-5064-194	7/1/14-6/30/15	716	(413) (413)	-	-	-	-	-	(413) (413)	-	-
Special Education Cluster I.D.E.A. Part B, Preschool Total Special Education Cluster	84.173	H173A150114	100-034-5065-020	7/1/15-6/30/16	1817	(700) (700)	-	-	-	-	-	(700) (700)	-	-
Total Special Revenue Fund						(1,113)	-	-	-	-	-	(1,113)	-	-
<b>Total Federal Financial Awards</b>						\$ (1,113)	-	-	-	-	-	(1,113)	-	-

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
 Schedule of Expenditures of State Financial Assistance  
 For the Year Ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Carpover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2019			MEMO Cumulative Total Expenditures
				Deferred Revenue/ (Accts Receivable)	Carpover Amount					Due to Grantor	(Accounts Receivable)	Deferred Revenue	
<b>State Department of Education</b>													
General Fund:													
Transportation Aid	19-495-034-5120-014	7/1/2018 6/30/2019	\$ 83,884	-	-	-	83,884	(83,884)	-	-	-	7,346	-
State Aid Public Cluster:													
Agilismnt Aid	19-495-034-5120-085	7/1/2018 6/30/2019	306,132	-	-	-	306,132	(306,132)	-	-	-	26,806	-
Special Education Aid	19-495-034-5120-086	7/1/2018 6/30/2019	36,777	-	-	-	36,777	(36,777)	-	-	-	4,866	-
School Choice Aid	19-495-034-5120-078	7/1/2018 6/30/2019	9,777	-	-	-	9,777	(9,777)	-	-	-	866	-
School Choice Aid	19-495-034-5120-078	7/1/2018 6/30/2019	145,473	-	-	-	145,473	(145,473)	-	-	-	12,739	-
School Choice Aid	19-495-034-5120-068	7/1/2018 6/30/2019	14,422	-	-	-	14,422	(14,422)	-	-	-	1,263	-
Total State Aid Public Cluster							528,364	(528,364)	-	-	-	46,267	-
Extraordinary Aid	19-100-034-5120-473	7/1/2018 6/30/2019	16,496	-	-	-	16,496	(16,496)	-	-	-	-	-
Extraordinary Aid	18-100-034-5120-473	7/1/2017 6/30/2018	13,897	(13,897)	-	-	13,897	(16,496)	-	-	-	55,613	-
On-Behalf OPEB - GASB 75	19-495-034-5094-001	7/1/2018 6/30/2019	13,897	(13,897)	-	-	626,145	(626,744)	-	-	-	55,613	-
Total General Fund							626,145	(626,744)	-	-	-	55,613	-
<b>Total State Financial Assistance</b>													
<b>Less: On-Behalf Payments</b>													
<b>Total State Financial Assistance</b>			\$				626,145	(626,744)	-	-	-	53,613	-



NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of state financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's general-purpose financial statements. The District has elected not to use the 10% de minimus indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

The general-purpose financial statements present the general fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general 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 state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,724 for the general fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund. Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as follows:

Washington Township School District  
Notes to the Schedules of Expenditures of State Financial Assistance  
June 30, 2019

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General

State Assistance:

Actual amounts (budgetary)  
"revenues" from the Schedule  
of Expenditures of State  
Financial Assistance \$ 628,744.00

Difference-budget to "GAAP"

State aid payment recognized  
for GAAP statements in the  
current year, previously  
recognized for budgetary  
purposes 60,337.00

The last state aid payment is  
recognized as revenue for  
budgetary purposes, and differs  
from GAAP which does not  
recognize this revenue until the  
subsequent year when the State  
recognizes the related expense  
(GASB 33) (53,613.00)

Total State revenue as reported  
on the statement of revenues,  
expenditures and changes in  
fund balances \$ 635,468.00

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

Amount reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

**WASHINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**Section I -- Summary of Auditor's Results**

***Financial Statement***

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____	no
• Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> _____	no
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> _____	no

***Federal Awards - N/A***

Internal Control over major programs:			
• Material weakness(es) identified?	_____ yes	_____	no
• Significant deficiency(ies) identified?	_____ yes	_____	none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ yes	_____	no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs: \$ \_\_\_\_\_

Auditee qualified as low-risk auditee?	_____ yes	_____	no
--	-----------	-------	----

**State Awards - N/A**

Internal Control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ none reported

Type of auditor's report issued on compliance major programs

Unmodified

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

\_\_\_\_\_ yes \_\_\_\_\_ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs:

\$ \_\_\_\_\_

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes \_\_\_\_\_ no

**WASHINGTON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

NONE

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**STATUS OF PRIOR YEAR FINDINGS**

NONE