

**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF WATERFORD  
SCHOOL DISTRICT  
WATERFORD, NEW JERSEY**



Waterford Township  
School District

*Lighting the path to success, one child at a time.*

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019**

**TOWNSHIP OF WATEFORD SCHOOL DISTRICT**  
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## **INTRODUCTORY SECTION**



Waterford Township  
School District

Dr. Brenda Harring  
Superintendent

Daniel J. Fox, CPA  
Assistant Superintendent for Business

Julie C. Lyons  
Director of Elementary Education

December 18, 2019

Honorable President and  
Members of the Waterford Township Board of Education  
1106 Old White Horse Pike  
Waterford, New Jersey 08089

Dear Mr. Wilhelm and Board Members:

The comprehensive annual financial report of the Waterford Township School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of New Jersey Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** The Waterford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Waterford Township Board of Education and all its schools, constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels K through 12. These include regular, as well as special education for handicapped children. The District completed the 2018-2019 school year with an average enrollment of 806.21 elementary students. The following details the changes in the elementary student enrollment of the district over the last 10 years.



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Superintendent

Daniel J. Fox, CPA  
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Julie C. Lyons  
Director of Elementary Education

Average Daily Enrollment – Elementary Students

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-2019	915.83	3.6%
2017-2018	806.21	(0.36%)
2016-2017	803.11	(3.42%)
2015-2016	831.57	(5.29%)
2014-2015	878.02	(3.06%)
2013-2014	905.76	(0.56%)
2012-2013	910.9	4.77
2011-2012	869.4	(5.67)%
2010-2011	921.7	----
2009-2010	920.9	(1.80)
		(.55%)

- 2) ECONOMIC CONDITION AND OUTLOOK: The Waterford Township area is experiencing a period of stability due in part to present economic conditions and a previous moratorium on sewer connections. That moratorium has been lifted as a result of the Township's MUA becoming part of the Camden County Municipal Utility Authority Sewer Network.
- 3) MAJOR INITIATIVES: The district has been awarded a significant grant to provide preschool education to 3 and 4 year olds. This grant has resulted in a significant increase in enrollment and will result in a grade level realignment.
- 4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but no 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) that valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for





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ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to the 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 budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.
  
- 6) **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note. 1.
  
- 7) **FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2019 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2018</u>
Local Sources	\$14,328,340.23	44.83	\$296,070.23
State Sources	17,120,120.56	53.57	2,073,440.56
Federal Sources	510,592.36	1.60	(27,397.64)
	<u>\$31,959,053.15</u>	<u>100.0</u>	<u>\$2,342,114.15</u>



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The overall increase in State sources is attributed to the Preschool Expansion Grant.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2019:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2018</u>
Current Expense:			
Instructional	17,040,617.48	54.99%	(304,429.52)
Undistributed Expenditures	11,389,054.40	36.75	743,976.40
Capital Outlay	325,123.03	1.05	184,641.03
Special Schools	47,551.99	15.35	4,077.99
Charter Schools	11,272.00	.03	7,482.00
Special Revenue Fund	2,131,942.19	6.88	1,600,251.19
Capital Projects Fund	---		(17,673.00)
Debt Service Fund	41,979.20	1.35	3,311.20
	<u>\$30,987,540.29</u>	<u>100.0</u>	<u>\$2,221,636.29</u>

- 8) **DEBT ADMINISTRATION:** Bonds to refinance the Early Retirement Incentive Program debt from the Lower Camden County Regional High School District, which dissolved, were issued in July 2003 in the amount of \$790,000.00 at 4.48% interest. This represented a significant savings over the interest charged by the State of New Jersey. As of June 30, 2019 the outstanding balance is \$30,000.
- 9) **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to 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 provisions of the Governmental Unit Deposit Protection Act ("GUDPA").



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Dr. Brenda Haring  
Superintendent

Daniel J. Fox, CPA  
Assistant Superintendent for Business

Julie C. Lyons  
Director of Elementary Education

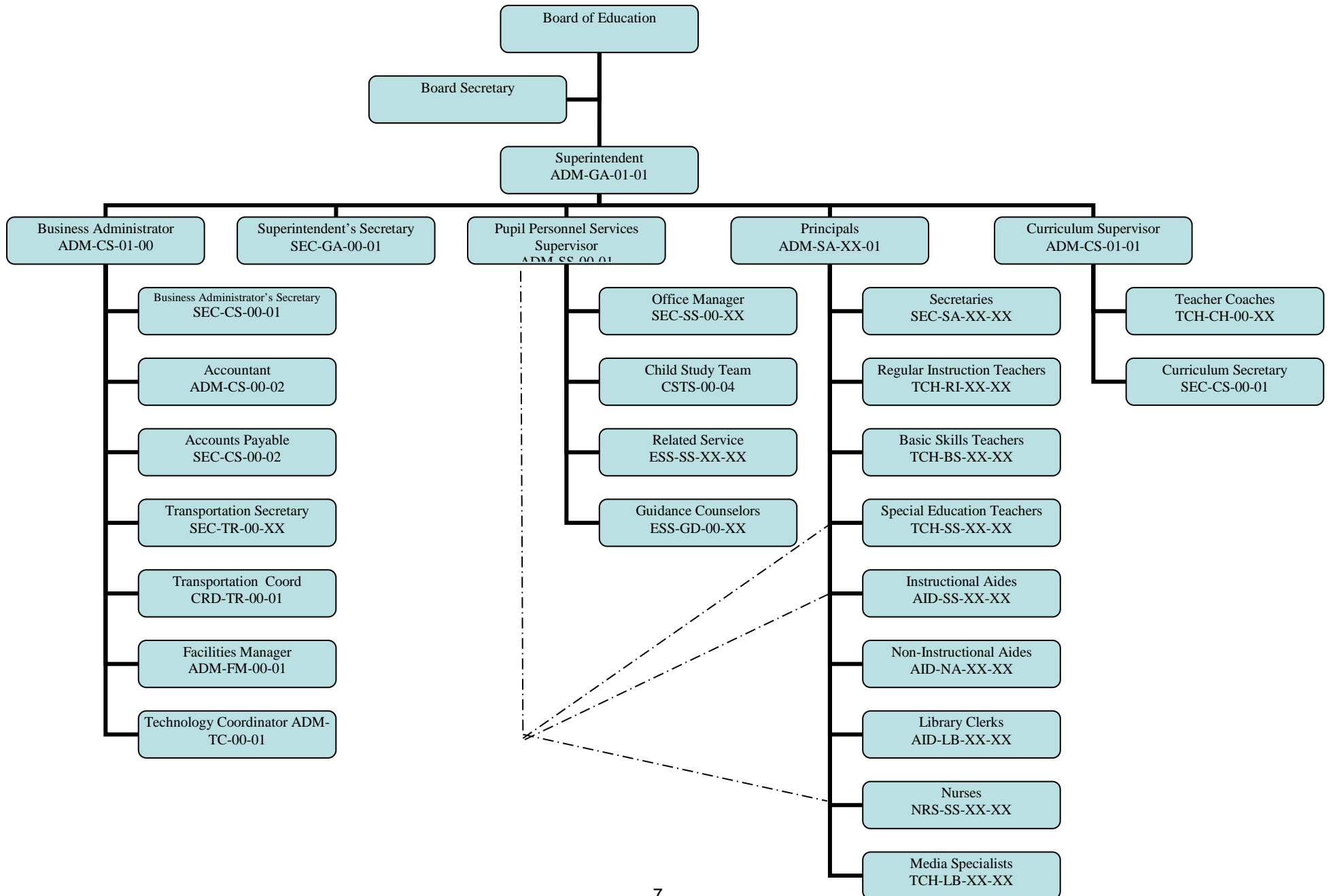
GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

- 10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
  
- 11) OTHER INFORMATION:
  - A) Independent Audit – State statutes required an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Circular Letter 04-04-OMB. The auditor's report on the general purpose 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.
  
- 12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Waterford Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, accounting and clerical staff.

Respectfully submitted,

Daniel J. Fox, CPA

Assistant Superintendent for Business/Board Secretary



**ROSTER OF OFFICIALS  
JUNE 30, 2019**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
William Wilhelm, President	2019
Michael McClintock, Vice President	2020
Terri Chiddenton	2021
Matthew DeNafo	2020
Benjamin Du Vuyst	2019
Roseanna Hunter	2021
Al Pangia	2019
Michael Vitarelli	2019
Maria Yeatman	2020

**OTHER OFFICIALS**

Dr. Brenda Harring, Superintendent

Daniel J. Fox, CPA, School Business Administrator/Board Secretary

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

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Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043-2493

**Attorney**

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Howard Long, Esq.  
1250 Chews Landing Road  
Laurel Springs, NJ 08021

**Official Depository**

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Republic Bank  
200 Rt. 73  
Berlin, New Jersey 08091

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Waterford School District  
County of Camden  
Waterford, New Jersey 08089

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Waterford School District, in the County of Camden, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.



**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 Township of Waterford School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, schedule of expenditures of federal awards, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019 on our consideration of the Township of Waterford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Waterford School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Waterford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
December 18, 2019

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Waterford School District  
County of Camden  
Waterford, New Jersey 08089

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 18, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Waterford School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Waterford 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 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 Township of Waterford School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
December 18, 2019

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

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

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

***Overview of the Financial Statements***

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

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 another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

During the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75 - Accounting and Financial Reporting and Postemployment Benefits Other than Pensions. The notes to the financial statements provide a more thorough discussion of the implementation of the GASB Statement and the effects to the financial statements.

***Statement of Net Position and Statement of Activities***

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business - type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

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

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. The Township of Waterford School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental Funds***

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

***Proprietary Funds***

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses enterprise funds to account for its food service program and piano program.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Districts' own programs. The accounting used for the fiduciary funds is much like that used for the proprietary funds.

***Notes to the Financial Statements***

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

***The School District as a Whole***

The Statement of Net Position provides a snapshot of the School district as a whole.

The table on the following page provides a summary of the School District's net position for the year ending June 30, 2019.

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

**Table 1  
Net Position**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,899,572	\$ 1,178,122
Receivables, net	2,063,113	2,377,615
Inventory (Note 5)	14,618	14,121
Restricted Assets:		
Restricted Cash and Cash Equivalents	119,939	10,524
Capital Reserve Account - Cash	526,357	
Capital Assets, net (Note 6)	<u>12,484,705</u>	<u>12,722,074</u>
 Total Assets	 <u>17,108,304</u>	 <u>16,302,457</u>
Deferred Outflow of Resources - Related to Pensions	<u>735,325</u>	<u>1,152,562</u>
<b>Liabilities</b>		
Accounts Payable	613,420	541,692
Accrued Interest Payable	9,558	18,983
Grant Anticipation Note	1,250,000	1,250,000
Unearned Revenue	3,396	8,871
Noncurrent Liabilities (Note 8):		
Due within One Year	643,169	636,458
Due beyond One Year	<u>3,004,630</u>	<u>4,704,649</u>
 Total Liabilities	 <u>5,524,172</u>	 <u>7,160,653</u>
Deferred Inflow of Resources - Related to Pensions	<u>1,488,571</u>	<u>1,005,789</u>
<b>Net Position</b>		
Net Investments in Capital Assets	11,888,516	11,547,375
Restricted for:		
Debt Service	513	252
Capital Projects	526,357	
Other Purposes	634,885	2,951
Unrestricted (Deficit)	<u>(2,219,386)</u>	<u>(2,262,001)</u>
 Total Net Position	 <u>\$ 10,830,885</u>	 <u>\$ 9,288,577</u>

The largest portion of the Township of Waterford School Districts' net position (99%) reflects Net Investment in Capital Assets. The Waterford Township School District will use these assets to replace building systems that have passed their useful life.

The net position of the business-type activities decreased by \$7,457.73.



**WATERFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
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Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68. For more information refer to Note 10 in the report for details.

**Table 2**

Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Deferred Outflows Related to Pensions	\$ 735,325	\$ 1,152,562
Less: Net Pension Liability	(2,745,925)	(3,712,862)
Less: Deferred Inflows Related to Pensions	<u>(1,488,571)</u>	<u>(1,005,789)</u>
	<u>\$ (3,499,171)</u>	<u>\$ (3,566,089)</u>

**Table 3**

**Changes in Net Position**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 195,043	\$ 344,774
Operating Grants and Contributions	8,039,515	7,369,418
General Revenues:		
Property Taxes	13,863,415	13,723,252
Federal and State Aid	12,950,058	12,970,471
Tuition	21,249	80,215
Unrestricted Miscellaneous Revenues	<u>404,155</u>	<u>201,775</u>
Total Revenues	<u>35,473,435</u>	<u>34,689,905</u>
<b>Program Expenses:</b>		
Governmental Activities:		
Instruction	8,314,331	7,211,035
Support Services	<u>25,317,930</u>	<u>26,348,311</u>
Total Expenses, Governmental Activities	<u>33,632,261</u>	<u>33,559,346</u>
Business-Type Activities:		
Food Service	298,866	331,705
Adult Piano	<u>                    </u>	<u>182</u>
Total Expenses, Business-Type Activities	<u>298,866</u>	<u>331,888</u>
Total Expenses	<u>33,931,127</u>	<u>33,891,234</u>
Change in Net Position	1,542,308	798,671
<b>Net Position, July 1</b>	<u>9,288,577</u>	<u>8,489,906</u>
<b>Ending Net Position</b>	<u>\$ 10,830,885</u>	<u>\$ 9,288,577</u>

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

**Governmental Activities**

State and Federal Aid and the Local Tax Levy comprise 99% of the total revenues for government activities for the fiscal year 2019.

Instruction costs comprises 26.75% of the District's governmental expenses, while support service and other expenses, including tuition costs, comprise approximately 73.25% of the Government Expense.

The Statement of Activities shows the costs of the Governmental Activities' program services and the charges for services and grants offsetting those services. Table 4 shows the total cost of services and the net cost of services for fiscal year 2019. That is, it identifies the cost of these services supported by general revenues

**Table 4**

	Total Cost of services	Net Cost of services
Instruction	\$ 8,314,331	\$ 6,797,718
Support services:		
Tuition	10,039,581	9,989,171
Student and Instruction Related Service	2,292,137	2,089,661
School Administrative Services	1,877,121	1,529,657
Plant Operation and Maintenance	3,036,144	3,005,163
Pupil Transportation	2,221,975	2,124,290
Unallocated Benefits	186,251	82,331
Reimbursed TPAF and Social Security	5,591,730	
Special Schools	47,552	47,552
Transfer to Charter School	11,272	11,272
Interest on Long Term Debt	14,167	14,167
	\$ 33,632,261	\$ 25,690,982
Total Government Activities		

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Tuition expenses include the cost to the School District to send pupils living within the District to private schools and students in grades 7-12 to Hammonton Middle/High Schools.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and Business and Other Support Services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administrative services.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in an effective working condition.

**WATERFORD TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
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***Governmental Activities (Cont'd)***

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health, dental, prescription and other employee benefits.

Reimbursed TPAF and Social Security costs are the amounts for the on-behalf payments made by the State of New Jersey for staff members included in the Teacher's Pension and Annuity Fund.

The dependence upon property taxes, federal and state aid is apparent. The local community, federal government and state, are the primary support for the Waterford Township School District.

Governmental Activities Revenues increase primarily due to the implementation of GASB 75. The Governmental Expenditures also increased due to an increase in unallocated benefits and TPAF & Social Security expenses.

***The School District's Funds***

The School District's major funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$31,959,053 (Exhibit B-2), expenditures of \$30,987,540. The net change in fund balance was significant in the General Fund which had an increase of \$805,926.23.

***General Fund Budgeting Highlights***

The School District's budget is prepared in accordance with New Jersey Law. Most of the funds are appropriated in the General Fund.

During the course of the 2019 fiscal year, the School District modified its General Fund budget as allowed by New Jersey School law. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances.

For the General Fund, the final budget basis revenue estimate was \$26,505,246, with actual revenues in the amount of \$29,623,274.65, resulting in a positive variance of \$3,118,028.65. The positive variance occurred mainly because of the TPAF On-behalf and Social Security payments by the State of New Jersey.

The General Fund final budget basis expenditure appropriation estimate was \$28,023,923.20 compared with the original estimate of the same. Actual General Fund basis expenditures were \$28,813,618.90.

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

**Capital Assets**

At the end of the fiscal year, the School District had \$12,484,705.28 invested in land, land improvements, buildings and improvements and equipment combined for governmental activities and business-type activities.

Table 4 shows a summary of the district's fiscal 2019 balances:

**Table 5  
Capital Assets (Net of Depreciation)**

<b>Government Activities:</b>	
Land	\$ 365,290
Construction in Progress	232,497
Land Improvements	153,457
Building and Improvements	11,282,628
Equipment	395,036
Totals	\$ 12,428,907
 <b>Business-Type Activities:</b>	
Equipment	\$ 55,798

Overall capital assets decreased \$237,369.10 from fiscal year 2018 to fiscal year 2019. This increase was primarily as a result of a depreciation.

**Debt Administration**

At the end of the current fiscal year, the Township of Waterford School District had total bonded debt outstanding of \$30,000.00. All of the Districts' bonded debt is governmental as opposed to business-type. The 2019 adopted budget has an appropriation of \$30,000.00 representing the payment of annual principal. The bonds will mature of October 1, 2019.

The outstanding balance for all long-term liabilities at June 30, 2019 is \$3,647,798.81 (Note 8).

**Economic Factors and Next Year's Budget**

For the 2018-19 school year, the School District was able to stay within the State of New Jersey's cap on the increase in taxes levied of 2%. The district continues to look for opportunities for cost containment including shared services. One of the most important factors affecting the budget is enrollment. The district has enacted new procedures to minimize the number of ineligible students.

**Contacting the School District's Financial Management**

The School District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Waterford Township School Business Administrator/Board Secretary at 1106 Old White Horse Pike, Waterford, New Jersey 08089.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

## Statement of Net Position

June 30, 2019

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,898,457.92	\$ 1,114.16	\$ 1,899,572.08
Receivables, net	2,051,250.61	11,862.04	2,063,112.65
Internal Balance	22,000.00	(22,000.00)	
Inventory (Note 5)		14,617.95	14,617.95
Restricted Assets:			
Restricted Cash and Cash Equivalents	119,938.93		119,938.93
Capital Reserve Account - Cash	526,356.78		526,356.78
Capital Assets, net (Note 6)	<u>12,428,907.28</u>	<u>55,798.00</u>	<u>12,484,705.28</u>
<b>Total Assets</b>	<u>17,046,911.52</u>	<u>61,392.15</u>	<u>17,108,303.67</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>735,325.00</u>		<u>735,325.00</u>
<b>LIABILITIES:</b>			
Accounts Payable:			
Related to Pensions	134,281.00		134,281.00
Other	479,138.80		479,138.80
Accrued Interest Payable	9,558.17		9,558.17
Grant Anticipation Note Payable	1,250,000.00		1,250,000.00
Unearned Revenue	1,778.01	1,617.56	3,395.57
Noncurrent Liabilities (Note 8):			
Due within One Year	643,169.09		643,169.09
Due beyond One Year	<u>3,004,629.72</u>		<u>3,004,629.72</u>
<b>Total Liabilities</b>	<u>5,522,554.79</u>	<u>1,617.56</u>	<u>5,524,172.35</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	<u>1,488,571.00</u>		<u>1,488,571.00</u>
<b>NET POSITION:</b>			
Net Investments in Capital Assets	11,832,718.34	55,798.00	11,888,516.34
Restricted for:			
Debt Service	513.02		513.02
Capital Projects	526,356.78		526,356.78
Other Purposes	634,884.97		634,884.97
Unrestricted (Deficit)	<u>(2,223,362.38)</u>	<u>3,976.59</u>	<u>(2,219,385.79)</u>
<b>Total Net Position</b>	<u>\$ 10,771,110.73</u>	<u>\$ 59,774.59</u>	<u>\$ 10,830,885.32</u>

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2019

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 5,321,119.60		\$ 1,516,613.22		\$ (3,804,506.38)		\$ (3,804,506.38)
Special Education	1,779,450.16				(1,779,450.16)		(1,779,450.16)
Other Special Instruction	1,208,256.42				(1,208,256.42)		(1,208,256.42)
School Sponsored Cocurricular Activities	5,249.16				(5,249.16)		(5,249.16)
Community Service Programs	255.90				(255.90)		(255.90)
Support Services:							
Tuition	10,039,580.87	\$ 50,409.95			(9,989,170.92)		(9,989,170.92)
Student and Instruction Related Services	2,292,137.16		202,476.45		(2,089,660.71)		(2,089,660.71)
School Administrative Services	1,877,120.76		347,463.57		(1,529,657.19)		(1,529,657.19)
Plant Operations and Maintenance	3,036,144.31		30,981.16		(3,005,163.15)		(3,005,163.15)
Pupil Transportation	2,221,974.68		97,684.28		(2,124,290.40)		(2,124,290.40)
Unallocated Benefits	186,250.92		103,919.92		(82,331.00)		(82,331.00)
TPAF and Social Security	5,591,729.81		5,591,729.81				
Special Schools	47,551.99				(47,551.99)		(47,551.99)
Transfer to Charter School	11,272.00				(11,272.00)		(11,272.00)
Interest on Long-Term Debt	14,167.10				(14,167.10)		(14,167.10)
<b>Total Governmental Activities</b>	<b>33,632,260.84</b>	<b>50,409.95</b>	<b>7,890,868.41</b>		<b>(25,690,982.48)</b>		<b>(25,690,982.48)</b>
<b>Business-Type Activities:</b>							
Food Service	298,866.37	144,620.32	148,646.41			\$ (5,599.64)	(5,599.64)
Adult Piano		12.49				12.49	12.49
<b>Total Business-Type Activities</b>	<b>298,866.37</b>	<b>144,632.81</b>	<b>148,646.41</b>			<b>(5,587.15)</b>	<b>(5,587.15)</b>
<b>Total Government</b>	<b>\$ 33,931,127.21</b>	<b>\$ 195,042.76</b>	<b>\$ 8,039,514.82</b>	<b>\$ -</b>	<b>(25,690,982.48)</b>	<b>(5,587.15)</b>	<b>(25,696,569.63)</b>
<b>General Revenues and Transfers:</b>							
Taxes:							
Property Taxes, Levied for General Purposes, net					13,821,175.00		13,821,175.00
Property Taxes, Levied for Debt Service, net					42,240.00		42,240.00
Federal and State Aid not Restricted					12,950,058.37		12,950,058.37
Tuition Received					21,249.21		21,249.21
Investment Earnings					9,228.78		9,228.78
Miscellaneous Income					394,926.38		394,926.38
Transfers					1,870.58	(1,870.58)	
<b>Total General Revenues and Transfers</b>					<b>27,240,748.32</b>	<b>(1,870.58)</b>	<b>27,238,877.74</b>
<b>Change in Net Position</b>					<b>1,549,765.84</b>	<b>(7,457.73)</b>	<b>1,542,308.11</b>
<b>Net Position -- July 1</b>					<b>9,221,344.89</b>	<b>67,232.32</b>	<b>9,288,577.21</b>
<b>Net Position -- June 30</b>					<b>\$ 10,771,110.73</b>	<b>\$ 59,774.59</b>	<b>\$ 10,830,885.32</b>

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



**FUND FINANCIAL STATEMENTS**

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,898,457.92	\$ 119,425.91		\$ 513.02	\$ 2,018,396.85
Capital Reserve Account - Cash	526,356.78				526,356.78
Receivables, net:					
Interfunds Receivable:					
General Fund		35,320.10			35,320.10
Capital Projects Fund	392,626.39				392,626.39
Enterprise Funds	22,000.00				22,000.00
Fiduciary Funds	5,823.33				5,823.33
Receivables from Other Governments:					
State of New Jersey	287,349.12		\$ 1,642,626.39		1,929,975.51
Federal Government		68,721.24			68,721.24
Other -- Tuition	9,612.13				9,612.13
Miscellaneous Other Receivables	8,809.85	7,000.00			15,809.85
<b>Total Assets</b>	<b>\$ 3,151,035.52</b>	<b>\$ 230,467.25</b>	<b>\$ 1,642,626.39</b>	<b>\$ 513.02</b>	<b>\$ 5,024,642.18</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 397,659.23	\$ 58,541.94			\$ 456,201.17
Grant Anticipation Note Payable			\$ 1,250,000.00		1,250,000.00
Interfunds Payable:					
General Fund			392,626.39		392,626.39
Special Revenue Fund	35,320.10				35,320.10
Internal Service Fund	1,629.08				1,629.08
Unearned Revenue		1,778.01			1,778.01
<b>Total Liabilities</b>	<b>434,608.41</b>	<b>60,319.95</b>	<b>1,642,626.39</b>		<b>2,137,554.75</b>

(Continued)

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Balance Sheet  
Governmental Funds  
June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	\$ 526,356.78				\$ 526,356.78
Excess Surplus -- Designated for Subsequent Year's Expenditures	464,737.67				464,737.67
Special Revenue Fund		\$ 170,147.30			170,147.30
Debt Service Fund				\$ 513.02	513.02
Assigned:					
Other Purposes	214,514.49				214,514.49
Designated for Subsequent Year's Expenditures	1,436,171.33				1,436,171.33
Unassigned:					
General Fund	74,646.84				74,646.84
Total Fund Balances	<u>2,716,427.11</u>	<u>170,147.30</u>		<u>513.02</u>	2,887,087.43
Total Liabilities and Fund Balances	<u>\$ 3,151,035.52</u>	<u>\$ 230,467.25</u>	<u>\$ 1,642,626.39</u>	<u>\$ 513.02</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,474,627.37, and the accumulated depreciation is \$10,045,720.09.					12,428,907.28
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.					(9,558.17)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(901,873.81)
Net Pension Liability					(2,745,925.00)
Accounts Payable related to the April 1, 2020 Required PERS pension contribution that is not to be liquidated with current financial resources.					(134,281.00)
Deferred Outflows of Resources - Related to Pensions					735,325.00
Deferred Inflows of Resources - Related to Pensions					(1,488,571.00)
Net position of governmental activities					<u>\$ 10,771,110.73</u>

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Local Source - Tax Levy	\$ 13,821,175.00			\$ 42,240.00	\$ 13,863,415.00
Tuition Charges	21,249.21				21,249.21
Miscellaneous	404,155.16	\$ 39,520.86			443,676.02
State Sources	15,318,753.46	1,801,367.10			17,120,120.56
Federal Sources	52,341.72	458,250.64			510,592.36
<b>Total Revenues</b>	<b>29,617,674.55</b>	<b>2,299,138.60</b>		<b>42,240.00</b>	<b>31,959,053.15</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Regular Instruction	4,058,234.92	1,239,274.48			5,297,509.40
Special Education Instruction	1,779,450.16				1,779,450.16
Other Special Instruction	1,208,256.42				1,208,256.42
School Sponsored Cocurricular Activities	5,249.16				5,249.16
Community Service Programs	255.90				255.90
<b>Undistributed Expenditures:</b>					
Tuition	9,989,170.92				9,989,170.92
Student and Instruction Related Services	2,698,650.09	202,476.45			2,901,126.54
School Administrative Services	1,606,053.02	342,683.57			1,948,736.59
Plant Operations and Maintenance	2,377,947.51	30,981.16			2,408,928.67
Pupil Transportation	2,124,290.40	97,684.28			2,221,974.68
Unallocated Benefits	161,076.57	103,919.92			264,996.49
Reimbursed TPAF Pension and Social Security	2,421,036.81				2,421,036.81
<b>Debt Service:</b>					
Interest on Early Retirement Bonds				1,979.20	1,979.20
Redemption of Principal - Early Retirement Bonds				40,000.00	40,000.00
Capital Outlay	325,123.03	114,922.33			440,045.36
Special Schools	47,551.99				47,551.99
Transfer to Charter Schools	11,272.00				11,272.00
<b>Total Expenditures</b>	<b>28,813,618.90</b>	<b>2,131,942.19</b>		<b>41,979.20</b>	<b>30,987,540.29</b>

(Continued)

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues over Expenditures	\$ 804,055.65	\$ 167,196.41	-	\$ 260.80	\$ 971,512.86
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Out):					
Transfer from Adult Piano Fund to close fund	1,870.58				1,870.58
Transfer to Capital Reserve	(517,128.00)				(517,128.00)
Increase in Capital Reserve	517,128.00				517,128.00
Interest Deposited Into Capital Reserve	9,228.78				9,228.78
Interest Transfer to Capital Reserve	(9,228.78)				(9,228.78)
Total Other Financing Sources and Uses	1,870.58				1,870.58
Net Change in Fund Balances	805,926.23	167,196.41		260.80	973,383.44
Fund Balance -- July 1	1,910,500.88	2,950.89		252.22	1,913,703.99
Fund Balance -- June 30	\$ 2,716,427.11	\$ 170,147.30	\$ -	\$ 513.02	\$ 2,887,087.43

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2019

Total Net Change in Fund Balances - Governmental Funds	\$	973,383.44
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(666,623.82)
Capital Outlays		440,045.36
		(226,578.46)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		596,458.19
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		40,000.00
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed. (-)		(5,191.00)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		9,424.36
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		89,913.31
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		72,356.00
Change in Net Position of Governmental Activities	\$	1,549,765.84

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Statement of Net Position  
Proprietary Funds  
June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Adult Piano	Totals	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,114.16		\$ 1,114.16	
Accounts Receivable:				
State	195.98		195.98	
Federal	9,221.05		9,221.05	
Other	2,445.01		2,445.01	\$ 21,093.43
Inventory	14,617.95		14,617.95	
Interfund Accounts Receivable:				
Agency Fund				215.12
General Fund				1,629.08
Total Current Assets	<u>27,594.15</u>		<u>27,594.15</u>	<u>22,937.63</u>
Noncurrent Assets:				
Equipment	210,990.58		210,990.58	
Less Accumulated Depreciation	<u>(155,192.58)</u>		<u>(155,192.58)</u>	
Total Noncurrent Assets	<u>55,798.00</u>		<u>55,798.00</u>	
Total Assets	<u>83,392.15</u>		<u>83,392.15</u>	<u>22,937.63</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Interfund Payable:				
General Fund	22,000.00		22,000.00	
Unearned Revenue	1,617.56		1,617.56	
Accounts Payable				22,937.63
Total Current Liabilities	<u>23,617.56</u>		<u>23,617.56</u>	<u>22,937.63</u>
<b>NET POSITION:</b>				
Net Investment in Capital Assets	55,798.00		55,798.00	
Unrestricted	<u>3,976.59</u>		<u>3,976.59</u>	
Total Net Position	<u>\$ 59,774.59</u>	<u>\$ -</u>	<u>\$ 59,774.59</u>	<u>\$ -</u>

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Statement of Revenues, Expenditures and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Adult Piano	Totals	
<b>OPERATING REVENUES:</b>				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Breakfast Program	\$ 10,072.46		\$ 10,072.46	
School Lunch Program	87,383.31		87,383.31	
Daily Sales Non-Reimbursable Programs	35,879.31		35,879.31	
Special Functions	5,257.70		5,257.70	
Miscellaneous	6,027.54		6,027.54	
Services Provided to Other Boards of Education				\$ 50,409.95
Program Fees		\$ 12.49	12.49	
<b>Total Operating Revenue</b>	<u>144,620.32</u>	<u>12.49</u>	<u>144,632.81</u>	<u>50,409.95</u>
<b>OPERATING EXPENSES:</b>				
Salaries	108,839.12		108,839.12	
Employee Benefits	19,965.68		19,965.68	
Purchased Professional and Technical Services	33,695.98		33,695.98	
Other Purchased Services (400 and 500 Series)	5,821.40		5,821.40	
Tuition				50,409.95
Cost of Goods Sold -- Non-Reimbursable	12,602.30		12,602.30	
Cost of Goods Sold -- Reimbursable	101,683.65		101,683.65	
Supplies and Materials	10,506.57		10,506.57	
Depreciation	5,599.64		5,599.64	
Other Objects	152.03		152.03	
<b>Total Operating Expenses</b>	<u>298,866.37</u>		<u>298,866.37</u>	<u>50,409.95</u>
<b>Operating Income (Loss)</b>	<u>(154,246.05)</u>	<u>12.49</u>	<u>(154,233.56)</u>	
<b>NONOPERATING REVENUES (EXPENSES):</b>				
State Sources:				
State School Lunch Program	2,880.42		2,880.42	
Federal Sources:				
National School Lunch Program	94,675.81		94,675.81	
School Breakfast Program	31,661.31		31,661.31	
Food Distribution Program	19,428.87		19,428.87	
<b>Total Nonoperating Revenues (Expenses)</b>	<u>148,646.41</u>		<u>148,646.41</u>	
<b>Income (Loss) before Contributions and Transfers</b>	<u>(5,599.64)</u>	<u>12.49</u>	<u>(5,587.15)</u>	
<b>Contributions and Transfers:</b>				
Transfer of Assets for Fund Closure		(1,870.58)	(1,870.58)	
<b>Total Contributions and Transfers</b>		<u>(1,870.58)</u>	<u>(1,870.58)</u>	
<b>Change in Net Position</b>	(5,599.64)	(1,858.09)	(7,457.73)	
<b>Net Position - July 1</b>	<u>65,374.23</u>	<u>1,858.09</u>	<u>67,232.32</u>	
<b>Net Position - June 30</b>	<u>\$ 59,774.59</u>	<u>\$ -</u>	<u>\$ 59,774.59</u>	<u>\$ -</u>

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



**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Adult Piano	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from Customers	\$ 142,986.28	\$ 12.49	\$ 142,998.77	\$ 126,766.87
Payments to Employees	(108,839.12)	(12.27)	(108,851.39)	
Payments for Employee Benefits	(19,965.68)		(19,965.68)	
Payments to Suppliers	(146,760.94)		(146,760.94)	(136,298.56)
Net Cash Provided by (used for) Operating Activities	<u>(132,579.46)</u>	<u>0.22</u>	<u>(132,579.24)</u>	<u>(9,531.69)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
State Sources	3,013.24		3,013.24	
Federal Sources	130,680.38		130,680.38	
Operating Subsidies and Transfers to Other Funds		(1,870.58)	(1,870.58)	
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>133,693.62</u>	<u>(1,870.58)</u>	<u>131,823.04</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	1,114.16	(1,870.36)	(756.20)	(9,531.69)
Cash and Cash Equivalents, July 1	<u>3,857.61</u>	<u>13,301.86</u>	<u>17,159.47</u>	<u>9,531.69</u>
Cash and Cash Equivalents, June 30	<u>\$ -</u>	<u>\$ 11,431.50</u>	<u>\$ 16,403.27</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>				
by Operating Activities:				
Operating Income (Loss)	\$ (154,246.05)	\$ 12.49	\$ (154,233.56)	
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:				
Depreciation and Net Amortization	5,599.64		5,599.64	
Food Distribution Program	19,428.87		19,428.87	
Change in Assets and Liabilities:				
(Increase) / Decrease in Accounts Receivable	(1,795.01)		(1,795.01)	\$ 76,356.92
(Increase) / Decrease in Inventory	(497.03)		(497.03)	
Increase / (Decrease) in Unearned Revenue	160.97		160.97	
Increase / (Decrease) in Accounts Payable	(1,230.85)	(12.27)	(1,243.12)	(85,888.61)
Total Adjustments	<u>21,666.59</u>	<u>(12.27)</u>	<u>21,654.32</u>	<u>(9,531.69)</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (132,579.46)</u>	<u>\$ 0.22</u>	<u>\$ (132,579.24)</u>	<u>\$ (9,531.69)</u>

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

	Private-Purpose Trust Fund	Agency Funds	
	Unemployment Compensation Trust	Student Activity	Payroll
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 20,235.49	\$ 5,722.29	\$ 112,045.81
Intrafund Accounts Receivable:			
Payroll	<u>868.85</u>		
Total Assets	<u>21,104.34</u>	<u>\$ 5,722.29</u>	<u>\$ 112,045.81</u>
<b>LIABILITIES:</b>			
Payroll Deductions and Withholdings			\$ 105,138.51
Intrafund Accounts Payable:			
Unemployment Trust			868.85
Interfund Payable:			
General Fund			5,823.33
Internal Service Fund			215.12
Intergovernmental Accounts Payable:			
State	1,041.28		
Payable to Student Groups		<u>\$ 5,722.29</u>	
Total Liabilities	<u>1,041.28</u>	<u>\$ 5,722.29</u>	<u>\$ 112,045.81</u>
<b>NET POSITION:</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>20,063.06</u>		
Total Net Position	<u>\$ 20,063.06</u>		

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Fiscal Year Ended June 30, 2019

	Private-Purpose Trust Fund
	Unemployment Compensation Trust
ADDITIONS:	
Investment earnings:	
Interest	\$ 213.31
Payroll Deductions	16,616.50
Total Additions	16,829.81
DEDUCTIONS:	
Unemployment Claims	17,383.26
Change in Net Position	(553.45)
Net Position -- July 1	20,616.51
Net Position -- June 30	\$ 20,063.06

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Waterford School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. Students in grades K through 6 are educated at the School District's three schools. Students in grades 7 through 12 attend, on a tuition basis, Hammonton Middle/High Schools. The School District has an approximate enrollment at June 30, 2019 of 814.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units.

**Government-wide and Fund Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

**Special Revenue Fund** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**Capital Projects Fund** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

**Enterprise Funds**

**Food Service Fund** - This fund accounts for the financial transactions related to the food service operations of the School District.

**Adult Piano Fund** - This fund accounts for the financial activity related to providing piano instruction.

**Internal Service Funds**

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The School District maintains one internal service fund, for tuition.

Additionally, the School District reports the following fund types.

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

**Agency Funds** - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

**Private-Purpose Trust Funds** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

**New Jersey Unemployment Compensation Insurance Trust Fund** - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

As a general rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Tuition Receivable**

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2019. The School District had no prepaid expenses for the fiscal year ended June 30, 2019.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable or accounts payable.

**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Improvements	5-50 Years
Equipment	5-20 Years

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Deferred Outflows and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans, and postemployment benefit plans.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2019 and 2018 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2019, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Net Position**

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

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

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

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

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

**Fund Balance**

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

***Nonspendable*** - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Fund Balance (Cont'd)**

**Unassigned** - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

**Interfund Activity**

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

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Impact of Recently Issued Accounting Principles****Recently Issued Accounting Pronouncements**

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2019:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments.

The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2019 (cont'd):

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2019, the School District's bank balances of \$1,473,141.99 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 1,466,375.77
Uninsured and Uncollateralized	<u>6,766.22</u>
Total	<u><u>\$ 1,473,141.99</u></u>

**New Jersey Cash Management Fund** - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2019, the School District's deposits with the New Jersey Cash Management Fund were \$2,086,459.06.

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$84,228.00 in the fiscal year 1996-1997 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2018			
Increased by:			
Interest Earnings	\$	9,228.78	
Deposits:			
Approved at November 2018 Election		<u>517,128.00</u>	
			<u>\$ 526,356.78</u>
			526,356.78
Decreased by:			
Withdrawals			<u>                    </u>
Ending Balance, June 30, 2019			<u><u>\$ 526,356.78</u></u>

The June 30, 2019 LRFP balance of local support costs of uncompleted projects at June 30, 2019 is \$8,339,586.00. There no withdrawals from the capital reserve.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2019 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	
Federal Awards		\$ 68,721.24		\$ 68,721.24
State Awards	\$ 287,349.12		\$ 1,642,626.39	1,929,975.51
Tuition Charges	9,612.13			9,612.13
Fiduciary Fund	5,823.33			5,823.33
Provided Services	8,809.85	7,000.00		15,809.85
Total	<u>\$ 311,594.43</u>	<u>\$ 75,721.24</u>	<u>\$ 1,642,626.39</u>	<u>\$ 2,029,942.06</u>

**Note 4: ACCOUNTS RECEIVABLE (CONT'D)**

<u>Description</u>	<u>Proprietary Funds</u>			
	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	<u>Internal Service Fund</u>	<u>Total All Funds</u>
Federal Awards	\$ 9,221.05	\$ 9,221.05		\$ 77,942.29
State Awards	195.98	195.98		1,930,171.49
Tuition Charges			\$ 21,093.43	30,705.56
Fiduciary Fund			215.12	6,038.45
Provided Services	2,445.01	2,445.01		18,254.86
Total	<u>\$ 11,862.04</u>	<u>\$ 11,862.04</u>	<u>\$ 21,308.55</u>	<u>\$ 2,063,112.65</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2019 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 11,901.46
Supplies	<u>2,716.49</u>
	<u>\$ 14,617.95</u>

**Note 6: CAPITAL ASSETS**

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

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>
<b>Government Activities:</b>					
Capital Assets that are not being Depreciated:					
Land	\$ 370,481.00			\$ 5,191.00	\$ 365,290.00
Construction In Progress	<u>106,635.27</u>	<u>\$ 198,404.96</u>	<u>\$ (72,542.93)</u>		<u>232,497.30</u>
Total Capital Assets not being Depreciated	<u>477,116.27</u>	<u>198,404.96</u>	<u>(72,542.93)</u>	<u>5,191.00</u>	<u>597,787.30</u>
Land Improvements	654,464.52		72,542.93	5,271.00	721,736.45
Building and Improvements	20,058,745.57			32,545.00	20,026,200.57
Equipment	<u>917,262.65</u>	<u>241,640.40</u>		<u>30,000.00</u>	<u>1,128,903.05</u>
Total Capital Assets being Depreciated	<u>21,630,472.74</u>	<u>241,640.40</u>	<u>72,542.93</u>	<u>67,816.00</u>	<u>21,876,840.07</u>
Less: Accumulated Depreciation for:					
Land Improvements	(566,830.02)	(6,720.63)		(5,271.00)	(568,279.65)
Building and Improvements	(8,146,209.43)	(629,908.61)		(32,545.00)	(8,743,573.04)
Equipment	<u>(733,872.82)</u>	<u>(29,994.58)</u>		<u>(30,000.00)</u>	<u>(733,867.40)</u>
Total Accumulated Depreciation	<u>(9,446,912.27)</u>	<u>(666,623.82) *</u>		<u>(67,816.00)</u>	<u>(10,045,720.09)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>12,183,560.47</u>	<u>(424,983.42)</u>			<u>11,831,119.98</u>
Government Activities Capital Assets, net	<u>\$ 12,660,676.74</u>	<u>\$ (226,578.46)</u>	<u>\$ -</u>	<u>\$ 5,191.00</u>	<u>\$ 12,428,907.28</u>



**Note 6: CAPITAL ASSETS (CONT'D)****Business-Type Activities:**

Equipment	\$ 210,990.58				\$ 210,990.58
Less: Accumulated Depreciation	<u>(149,592.94)</u>	\$ (5,599.64) *			<u>(155,192.58)</u>
Business-Type Activities Capital Assets, net	<u>\$ 61,397.64</u>	<u>\$ (5,599.64)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,798.00</u>

Depreciation expense was charged to functions / programs of the School District as follows:

**Governmental Activities:**

Regular Instruction	\$ 16,185.20
Support Services Students/Staff	5,987.28
Support Services School Adm.	814.44
Support Services Plant Operations/Maintenance	<u>643,636.90</u>

Total Depreciation Expense - Governmental Activities \$ 666,623.82

**Business-Type Activities:**

Food Service	<u>\$ 5,599.64</u>
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**Note 7: SHORT-TERM OBLIGATIONS**

**Grant Anticipation Note** - Pursuant to N.J.S.A. 18A:22-44.1 and in anticipation of the receipt of a grant from the New Jersey Schools Development Authority, the School District issued a Grant Anticipation Note on September 16, 2015 in the amount of \$1,250,000.00, at an annual interest rate of .087% maturing on September 15, 2016. The proceeds of the note were applied only to purposes of the School District's school facilities project for which the grant was awarded. This note was renewed on September 15, 2016, at an annual interest rate of 2.0% maturing on September 15, 2017, again on September 14, at an annual interest rate of 1.34% maturing on September 14, 2018. On September 13, 2018 the note was once again renewed at an annual interest rate of 2.875% maturing on September 13, 2019.

The following represents short-term debt activity for the fiscal year ended June 30, 2019:

<u>Description</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Grant Anticipation Note	<u>\$ 1,250,000.00</u>	<u>\$ 1,250,000.00</u>	<u>\$ (1,250,000.00)</u>	<u>\$ 1,250,000.00</u>

**Note 8: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 70,000.00		\$ (40,000.00)	\$ 30,000.00	\$ 30,000.00
Total Bonds Payable	70,000.00		(40,000.00)	30,000.00	30,000.00
Other Liabilities:					
Obligations under Capital Lease	1,211,325.41		(596,458.19)	614,867.22	592,536.87
Compensated Absences	346,919.90	\$ 7,425.00	(97,338.31)	257,006.59	20,632.22
Net Pension Liability	3,712,862.00	1,673,196.00	(2,640,133.00)	2,745,925.00	
Total Other Liabilities	5,271,107.31	1,680,621.00	(3,333,929.50)	3,617,798.81	613,169.09
Governmental Activities Long-Term Liabilities	<u>\$ 5,341,107.31</u>	<u>\$ 1,680,621.00</u>	<u>\$ (3,373,929.50)</u>	<u>\$ 3,647,798.81</u>	<u>\$ 643,169.09</u>

The bonds payable and obligations under capital lease are generally liquidated by the debt service fund, while obligations under capital leases, compensated absences, and net pension liability are liquidated by the general fund.

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

On July 29, 2003, the School District issued \$790,000.00 taxable refunding bonds at interest rates of 4.48% for the retirement of unfunded liabilities of the School District in the Teacher's Pension and Annuity Fund and Public Employees Retirement System under early retirement incentive programs. The final maturity of these bonds is October 1, 2019. The bonds will be paid from property taxes.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 30,000.00	\$ 672.00	\$ 30,672.00
Total	<u>\$ 30,000.00</u>	<u>\$ 672.00</u>	<u>\$ 30,672.00</u>

**Bonds Authorized but not Issued** - As of June 30, 2019, the School District had no authorizations to issue additional bonded debt.

**Obligations under Capital Lease** - The School District is leasing WIFI System equipment totaling \$68,016.20 under a capital lease. In addition the School District entered into a lease agreement for \$2,678,551.00 where the proceeds were used to supplement the School District's local share of a capital project partially funded by a Regular Operating District Grant from the New Jersey Economic Development Authority. On April 15, 2017, the School District entered into a 3 year capital lease agreement for "Go Math" instructional material totaling \$54,928.12 and a 4 year capital lease agreement for LED Lighting totaling \$85,788.18.

**Note 8: LONG-TERM LIABILITIES (CONT'D)**

**Obligations under Capital Lease (Cont'd)** - The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2019:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 592,537.87	\$ 11,203.06	\$ 603,740.93
2021	22,329.35	931.18	23,260.53
Total	<u>\$ 614,867.22</u>	<u>\$ 12,134.24</u>	<u>\$ 627,001.46</u>

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

**Net Pension Liability** - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the Division. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and TPAF plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

**Plan Descriptions**

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS Board of Trustees is primarily responsible for the administration of the PERS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** –Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

**Note 9: PENSION PLANS (CONT'D)****General Information About the Pension Plans (Cont'd)**

**Teachers' Pension and Annuity Fund (Cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 15.18% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2019 was \$1,009,784.00, and was paid by April 1, 2019. School District employee contributions to the Plan during the fiscal year ended June 30, 2019 were \$513,320.97.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.50% in State fiscal year 2019. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 10.58% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2019 was \$138,719.00, and was paid by April 1, 2019. School District employee contributions to the Plan during the fiscal year ended June 30, 2019 were \$99,280.60.

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2019, employee contributions totaled \$18,438.80, and the School District recognized pension expense, which equaled the required contributions, of \$21,644.24. There were no forfeitures during the fiscal year.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Teachers' Pension and Annuity Fund** - At June 30, 2019, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	42,496,725.00
	<u>\$ 42,496,725.00</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. For the June 30, 2018 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2018, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2018 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .0668000003%, which was an increase of .0033411305% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized \$2,477,410.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

**Public Employees' Retirement System** - At June 30, 2019, the School District reported a liability of \$2,745,925.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the School District's proportion was .0139461364%, which was a decrease of .0020036784% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the School District recognized pension expense of \$66,362.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 52,365.00	\$ 14,159.00
Changes of Assumptions	452,483.00	878,001.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	25,757.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	96,196.00	570,654.00
School District Contributions Subsequent to the Measurement Date	134,281.00	-
	<u>\$ 735,325.00</u>	<u>\$ 1,488,571.00</u>

\$134,281.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2020. 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 Ending  
June 30,**

2020	\$ (66,801.00)
2021	(125,086.00)
2022	(323,693.00)
2023	(268,857.00)
2024	(103,090.00)
	<u>\$ (887,527.00)</u>



**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions**

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
Through 2026	1.55% - 4.15% Based on Yrs. of Service	1.65% - 4.15% Based on Age
Thereafter	2.00% - 5.45% Based on Yrs. of Service	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

For TPAF, 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.

For PERS, preretirement 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. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For TPAF and PERS, 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.

**Note 9: PENSION PLANS (CONT'D)**

**Actuarial Assumptions (Cont'd)** - Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rates used to measure the total pension liability at June 30, 2018 were 4.86% and 5.66% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were 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 rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. 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 for TPAF and 2046 for PERS. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2040 for TPAF and 2046 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2018, the Plan's measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.86%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	50,230,322.00	42,496,725.00	36,085,762.00
	<u>\$ 50,230,322.00</u>	<u>\$ 42,496,725.00</u>	<u>\$ 36,085,762.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ 3,452,684.00	\$ 2,745,925.00	\$ 2,152,999.00

**Pension Plan Fiduciary Net Position**

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF and PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

**Employees Covered by Benefit Terms** - At June 30, 2018, the OPEB Plan's Measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>362,181</u>

**Total Non-Employer OPEB Liability**

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2019 was \$39,029,953.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

The total Non-Employer OPEB Liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. For the June 30, 2018 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was .0846437821%, which was a decrease of .00003767594% from its proportion measured as of June 30, 2017.

**Actuarial Assumptions and Other Inputs** - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2017 used the following actuarial assumptions, applied to all periods in the measurement:

**Salary Increases -**

	<u>TPAF/ABP (1)</u>	<u>PERS (2)</u>	<u>PFRS (2)</u>
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) - Based on years of service

(2) - Based on age

**Inflation Rate** - 2.50%.

**Mortality Rates** - Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

**Experience Studies** - The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2011 - June 30, 2014, and July 1, 2010 - June 30, 2013 for TPAF, PERS and PFRS, respectively. 100% of all retirees who currently have healthcare coverage were assumed to continue with that coverage. 100% of active members were considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

**Discount Rate** - The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the Total Non-Employer OPEB Liability associated with the School District:

Balance at June 30, 2018		\$ 45,604,884.00
Changes for the Year:		
Service Cost	\$ 1,221,998.00	
Interest Cost	1,658,525.00	
Difference Between Expected and Actual Experience	(3,968,995.00)	
Changes in Assumptions	(4,478,882.00)	
Gross Benefit Payments	(1,043,647.00)	
Member Contributions	36,070.00	
Net Changes		<u>(6,574,931.00)</u>
Balance at June 30, 2019		<u>\$ 39,029,953.00</u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions reflect a decrease in the liability from June 30, 2017 to June 30, 2018 due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate** - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2018, associated with the School District, using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 46,141,350.00</u>	<u>\$ 39,029,953.00</u>	<u>\$ 33,377,127.00</u>

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The State's proportionate share of the total Non-Employer OPEB Liability as of June 30, 2018, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 32,260,529.00	\$ 39,029,953.00	\$ 47,982,775.00

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

For the fiscal year ended June 30, 2019, the School District recognized \$1,291,255.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2018 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2019, the State's proportionate share of the total Non-Employer OPEB Liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ -	\$ 426,376.00
Difference Between Expected and Actual Experience	-	3,788,729.00
Changes of Assumptions	-	8,748,763.00
	<u>\$ -</u>	<u>\$ 12,963,868.00</u>



**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability, associated with the School District, will be recognized in OPEB expense as follows:

<b>Year Ending June 30,</b>	
2020	\$ (1,598,426.00)
2021	(1,598,426.00)
2022	(1,598,426.00)
2023	(1,598,426.00)
2024	(1,598,426.00)
Thereafter	<u>(4,971,738.00)</u>
	<u>\$ (12,963,868.00)</u>

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2019, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,291,256.00, \$27,029.00, \$597,972.00, and \$1,701.00, respectively.

**Note 12: RISK MANAGEMENT**

The School 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.

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

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<b>Fiscal Year Ended June 30,</b>	<b>School District Contributions</b>	<b>Employee Contributions</b>	<b>Interest Income</b>	<b>Claims Incurred</b>	<b>Ending Balance</b>
2019		\$ 16,616.50	\$ 213.31	\$ 17,383.26	\$ 20,063.06
2018	\$ 25,000.00	14,029.28	65.72	41,458.30	20,616.51
2017		14,355.04	39.39	36,572.14	22,979.81

**Note 12: RISK MANAGEMENT (CONT'D)**

**Joint Insurance Fund** - The School District is a member of the New Jersey School Insurance Group. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability  
 Property (Including Crime and Auto Physical Damage)  
 Boiler and Machinery  
 School Board Legal Liability  
 Comprehensive General Liability  
 Automobile Liability  
 Pollution/Environmental Legal Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation  
 Excess General Liability  
 Non-Owned Aircraft Liability  
 Excess Auto Liability  
 Fidelity and Performance (Blanket)  
 Excess Property including Boiler and Machinery  
 Crime including Excess Public Employee and Public Official Coverage

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for the claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for the fiscal year ended June 30, 2019 which can be obtained from:

New Jersey Schools Insurance Group  
 450 Veterans Drive  
 Burlington, New Jersey 08016

**Note 13: DEFERRED COMPENSATION**

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

Washington National  
 Kemper Investments  
 Lincoln Investment Planning, Inc.  
 Travelers

**Note 14: COMPENSATED ABSENCES**

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

School District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave. Unused vacation time may not be accumulated.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2019, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$257,006.59 and \$-0 respectively.

**Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfunds** - The composition of interfund balances as of June 30, 2019 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 420,449.72	\$ 36,949.18
Special Revenue	35,320.10	
Capital Projects		392,626.39
Proprietary Funds	1,844.20	22,000.00
Fiduciary	5,714.90	11,753.35
	<u>5,714.90</u>	<u>11,753.35</u>
Totals	<u>\$ 463,328.92</u>	<u>\$ 463,328.92</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2020, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

**Transfers** -

	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Proprietary Fund</u>
<b><u>Transfer Out:</u></b>		
General Fund		\$ 1,870.58
Proprietary Funds	\$ 1,870.58	
	<u>1,870.58</u>	<u>1,870.58</u>
Total Transfers	<u>\$ 1,870.58</u>	<u>\$ 1,870.58</u>

The transfer resulted from the closeout of the Adult Piano Enterprise Fund.

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

**Litigation** - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 17: CONCENTRATIONS**

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: COMMITMENTS**

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2019 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Waterford Elementary School - Various Unbundled Project	06/20/14	\$ 1,416,284.10
Atco Elementary School - Various Unbundled Project	08/31/14	592,641.41
Thomas Richards Elementary School - Various Unbundled Project	08/31/14	<u>193,216.59</u>
Total		<u>\$ 2,202,142.10</u>

**Note 19: FUND BALANCES****RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

**General Fund**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. As a result of the accounting for the June State Aid Payments on the GAAP financial statements, there is no excess fund balance at June 30, 2019. Additionally, \$464,737.67 of excess fund balance generated during 2017-2018 has been restricted and designated for utilization in the 2019-2020 budget.

**For Capital Reserve Account** - As of June 30, 2019, the balance in the capital reserve account is \$526,356.78. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**Special Revenue Fund** – The \$170,147.30 Special Revenue Fund Balance at June 30, 2019 represents unexpended State and Local grant funds.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020 \$513.02 of debt service fund balance at June 30, 2019.

**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

**General Fund**

**For Subsequent Year's Expenditures** - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2020 \$1,436,171.33 of general fund balance at June 30, 2019.

**Other Purposes** - As of June 30, 2019, the School District had \$214,514.49 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

**General Fund** - As of June 30, 2019, \$74,646.84 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,821,175.00		\$ 13,821,175.00	\$ 13,821,175.00	
Tuition	25,000.00		25,000.00	21,249.21	\$ (3,750.79)
Interest - Capital Reserve Account	25.00		25.00	9,228.78	9,203.78
Transportation Fees from Other LEAs	15,000.00		15,000.00	10,276.37	(4,723.63)
Unrestricted Miscellaneous Revenues	4,500.00		4,500.00	384,650.01	380,150.01
Total - Local Sources	<u>13,865,700.00</u>		<u>13,865,700.00</u>	<u>14,246,579.37</u>	<u>380,879.37</u>
State Sources:					
Extraordinary Aid	25,000.00		25,000.00	239,054.00	214,054.00
Categorical Special Education Aid	981,906.00		981,906.00	981,906.00	
Equalization Aid	10,427,797.00		10,427,797.00	10,427,797.00	
Categorical Security Aid	200,265.00		200,265.00	200,265.00	
Categorical Transportation Aid	683,812.00	\$ (51,377.00)	632,435.00	632,435.00	
School Choice Aid	357,504.00		357,504.00	357,504.00	
Additional Non-Public Transportation Aid				20,090.00	20,090.00
Payment for Institutionalized Children - Unknown District of Residence				44,265.75	44,265.75
On-Behalf Contributions -					
T.P.A.F. Post-Retirement Medical				597,972.00	597,972.00
Teacher's Pension and Annuity Fund				1,291,256.00	1,291,256.00
T.P.A.F. Long-Term Disability Insurance				1,701.00	1,701.00
T.P.A.F. Non-contributory Insurance				27,029.00	27,029.00
Reimbursed TPAF Social Security Contributions				503,078.81	503,078.81
Total - State Sources	<u>12,676,284.00</u>	<u>(51,377.00)</u>	<u>12,624,907.00</u>	<u>15,324,353.56</u>	<u>2,699,446.56</u>
Federal Sources:					
SEMI Medicaid	14,639.00		14,639.00	52,341.72	37,702.72
Total - Federal Sources	<u>14,639.00</u>		<u>14,639.00</u>	<u>52,341.72</u>	<u>37,702.72</u>
Total Revenues	<u>26,556,623.00</u>	<u>(51,377.00)</u>	<u>26,505,246.00</u>	<u>29,623,274.65</u>	<u>3,118,028.65</u>

(Continued)



## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 64,741.00	\$ (24,999.67)	\$ 39,741.33		\$ 39,741.33
Kindergarten	321,042.00	(1,339.99)	319,702.01	\$ 313,258.48	6,443.53
Grades 1 - 5	2,075,694.00	18,466.63	2,094,160.63	2,027,407.75	66,752.88
Grades 6 - 8	468,273.00	2,024.66	470,297.66	461,061.63	9,236.03
Regular Programs - Home Instruction:					
Salaries of Teachers	4,750.00	11,750.00	16,500.00	15,075.00	1,425.00
Purchased Professional - Educational Services	4,750.00	(1,000.00)	3,750.00	452.56	3297.44
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	172,789.00	18,909.99	191,698.99	140,156.26	51,542.73
Purchased Professional - Educational Services	26,650.00		26,650.00	20,612.57	6,037.43
Purchased Technical Services	26,123.00	(2,999.62)	23,123.38	3,763.80	19,359.58
Other Purchased Services	21,099.00	20.00	21,119.00	16,820.65	4,298.35
General Supplies	326,227.00	(15,599.60)	310,627.40	223,689.21	86,938.19
Textbooks	12,300.00		12,300.00	358.29	11,941.71
Other Objects	16,450.00	(115.00)	16,335.00	9,770.35	6,564.65
Total Regular Programs	<u>3,540,888.00</u>	<u>5,117.40</u>	<u>3,546,005.40</u>	<u>3,232,426.55</u>	<u>313,578.85</u>
Special Education:					
Learning and/or Language Disabilities					
Salaries of Teachers	213,022.00	(5,779.58)	207,242.42	197,154.24	10,088.18
Other Salaries for Instruction	30,300.00	2,225.62	32,525.62	31,673.10	852.52
General Supplies	2,500.00		2,500.00	536.49	1,963.51
Total - Learning and/ or Language Disabilities	<u>245,822.00</u>	<u>(3,553.96)</u>	<u>242,268.04</u>	<u>229,363.83</u>	<u>12,904.21</u>

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education:					
Behavioral Disabilities:					
Salaries of Teachers	\$ 97,687.00	\$ (999.53)	\$ 96,687.47	\$ 93,964.00	\$ 2,723.47
Other Salaries for Instruction	16,713.00	25.29	16,738.29	13,331.62	3,406.67
General Supplies	560.00		560.00	270.00	290.00
Total - Behavioral Disabilities	<u>114,960.00</u>	<u>(974.24)</u>	<u>113,985.76</u>	<u>107,565.62</u>	<u>6,420.14</u>
Multiple Disabilities					
Salaries of Teachers	58,825.00	500.00	59,325.00	59,279.00	46.00
Other Salaries for Instruction	14,625.00	150.00	14,775.00	12,847.94	1,927.06
General Supplies	600.00		600.00	268.86	331.14
Total - Multiple Disabilities	<u>74,050.00</u>	<u>650.00</u>	<u>74,700.00</u>	<u>72,395.80</u>	<u>2,304.20</u>
Resource Room/Center:					
Salaries of Teachers	611,549.00	5,766.22	617,315.22	612,182.75	5,132.47
Other Salaries for Instruction	82,238.00	2,250.35	84,488.35	82,989.58	1,498.77
General Supplies	7,350.00	7,500.00	14,850.00	11,599.12	3,250.88
Total - Resource Room/Center	<u>701,137.00</u>	<u>15,516.57</u>	<u>716,653.57</u>	<u>706,771.45</u>	<u>9,882.12</u>
Autism:					
Salaries Of Teachers	5,662.00	(0.50)	5,661.50	3,633.00	2,028.50
Other Salaries for Instruction	397.00	(0.82)	396.18	376.00	20.18
Total Autism	<u>6,059.00</u>	<u>(1.32)</u>	<u>6,057.68</u>	<u>4,009.00</u>	<u>2,048.68</u>
Preschool Disabilities - Full-Time:					
Salaries Of Teachers	76,250.00	480.00	76,730.00	76,552.00	178.00
Other Salaries for Instruction	17,550.00	(4,475.00)	13,075.00	11,051.33	2,023.67
General Supplies	2,035.00		2,035.00	1,915.83	119.17
Total Preschool Disabilities - Full-Time	<u>95,835.00</u>	<u>(3,995.00)</u>	<u>91,840.00</u>	<u>89,519.16</u>	<u>2,320.84</u>

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (CONT'D):					
Home Instruction					
Salaries Of Teachers	\$ 2,000.00	\$ (500.00)	\$ 1,500.00	\$ 1,000.00	\$ 500.00
Purchased Professional Educational Services	27,500.00	400.00	27,900.00	15,150.00	12,750.00
Total Home Instruction	29,500.00	(100.00)	29,400.00	16,150.00	13,250.00
Total - Special Education Instruction	1,267,363.00	7,542.05	1,274,905.05	1,225,774.86	49,130.19
Basic Skills/Remedial:					
Salaries of Teachers	1,306,845.00	(86,885.94)	1,219,959.06	1,193,695.83	26,263.23
Purchased Professional - Educational Services	500.00		500.00	500.00	
General Supplies	15,177.00	2,300.50	17,477.50	14,060.59	3,416.91
Total - Basic Skills/Remedial	1,322,522.00	(84,585.44)	1,237,936.56	1,208,256.42	29,680.14
School Sponsored Cocurricular Activities - Instruction					
Salaries	750.00	3,850.00	4,600.00	4,550.64	49.36
Total - School Sponsored Cocurricular Activities - Instruction	750.00	3,850.00	4,600.00	4,550.64	49.36
Community Service Programs/Operations					
Supplies and Materials	275.00		275.00	255.90	19.10
Total Community Service Programs/Operations	275.00		275.00	255.90	19.10
Total - Instruction	6,131,798.00	(68,075.99)	6,063,722.01	5,671,264.37	392,457.64
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State - Regular	7,311,081.00	(15,000.00)	7,296,081.00	7,293,355.56	2,725.44
Tuition to Other LEAs within the State - Special	1,028,298.00	(30,000.00)	998,298.00	990,552.50	7,745.50
Tuition to County Voc. School District - Regular	55,000.00	15,000.00	70,000.00	56,951.00	13,049.00

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Instruction (Cont'd):					
Tuition to County Voc. School District - Special	\$ 10,000.00	\$ (5,000.00)	\$ 5,000.00		\$ 5,000.00
Tuition to CSSD & Regional Day Schools	334,000.00	32,750.00	366,750.00	\$ 366,118.10	631.90
Tuition to Private Schools for the Handicapped-State	1,366,167.00	(74,854.00)	1,291,313.00	1,282,193.76	9,119.24
Total - Instruction	10,104,546.00	(77,104.00)	10,027,442.00	9,989,170.92	38,271.08
Attendance and Social Work Services:					
Salaries	114,014.00	(7,199.66)	106,814.34	102,024.68	4,789.66
Purchased Professional and Technical Services	40,000.00	400.00	40,400.00	35,603.30	4,796.70
Other Purchased Services	6,500.00	250.00	6,750.00	2,594.00	4,156.00
Supplies and Materials	3,400.00	350.00	3,750.00	2,242.33	1,507.67
Total - Attendance and Social Work Services	163,914.00	(6,199.66)	157,714.34	142,464.31	15,250.03
Health Services:					
Salaries	215,447.00	(14,576.77)	200,870.23	192,371.39	8,498.84
Purchased Professional and Technical Services	15,500.00	10,249.00	25,749.00	17,226.25	8,522.75
Other Purchased Services	300.00		300.00		300.00
Supplies and Materials	5,795.00		5,795.00	3,394.79	2,400.21
Total - Health Services	237,042.00	(4,327.77)	232,714.23	212,992.43	19,721.80
Other Support Services-Speech, OT, PT & Related Services:					
Salaries	153,672.00	(0.27)	153,671.73	147,829.95	5,841.78
Purchased Professional Educational Services	170,350.00	(4,600.00)	165,750.00	161,980.00	3,770.00
Supplies and Materials	3,550.00	(1,600.00)	1,950.00	1,664.69	285.31
Other Objects	860.00	(400.00)	460.00	259.00	201.00
Total - Other Support Services-Students-Related Services	328,432.00	(6,600.27)	321,831.73	311,733.64	10,098.09

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Other Support Services - Students - Extra Services:					
Salaries	\$ 136,447.00	\$ 16,916.05	\$ 153,363.05	\$ 148,797.91	\$ 4,565.14
Purchased Professional Educational Services	70,500.00	(8,000.00)	62,500.00	57,595.50	4,904.50
Supplies and Materials	2,600.00		2,600.00	4,838.40	(2,238.40)
	<u>209,547.00</u>	<u>8,916.05</u>	<u>218,463.05</u>	<u>211,231.81</u>	<u>7,231.24</u>
Total Other Support Services - Students - Extra Services					
Guidance:					
Salaries Other Professional Staff	134,567.00	(3,524.97)	131,042.03	126,456.47	4,585.56
Other Purchased Professional and Technical Services	7,700.00	(1,600.00)	6,100.00	1,400.00	4,700.00
Other Purchased Services	360.00		360.00		360.00
Supplies and Materials	5,255.00		5,255.00	3,426.51	1,828.49
	<u>147,882.00</u>	<u>(5,124.97)</u>	<u>142,757.03</u>	<u>131,282.98</u>	<u>11,474.05</u>
Total Other Support Services - Guidance					
Child Study Team:					
Salaries of Other Professional Staff	231,886.00	2,000.35	233,886.35	228,184.89	5,701.46
Salaries of Secretarial and Clerical Assistants	42,838.00	0.23	42,838.23	42,824.00	14.23
Unused Vacation Payment to Term/Retired Staff	17,533.00		17,533.00	17,532.97	0.03
Purchased Professional Educational Services	55,000.00	33,200.00	88,200.00	87,885.00	315.00
Other Purchased Professional and Technical Services	25,000.00	14,800.00	39,800.00	28,244.00	11,556.00
Other Purchased Services (400-500 series)	6,875.00	(1,100.00)	5,775.00	4,060.30	1,714.70
Supplies and Materials	11,550.00	(1,500.00)	10,050.00	9,632.71	417.29
Other Objects	1,000.00	(600.00)	400.00		400.00
	<u>391,682.00</u>	<u>46,800.58</u>	<u>438,482.58</u>	<u>418,363.87</u>	<u>20,118.71</u>
Total Other Support Services - Child Study Team					
					(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Improvement Instructional Services:					
Salaries of Supervisors of Instruction	\$ 108,170.00	\$ 10,000.68	\$ 118,170.68	\$ 103,556.94	\$ 14,613.74
Salaries of Other Professional Staff	93,217.00	10,499.80	103,716.80	102,971.25	745.55
Salaries of Secretarial and Clerical Assistants	75,056.00	(0.19)	75,055.81	73,447.62	1,608.19
Salaries of Facilitators, Math, and Literacy Coaches	126,188.00	(0.30)	126,187.70	124,207.80	1,979.90
Purchased Professional Educational Services	14,000.00	32,000.00	46,000.00	13,016.45	32983.55
Other Purchased Services	10,500.00	1,000.00	11,500.00	10,708.15	791.85
Supplies and Materials	8,900.00		8,900.00	8,856.15	43.85
Other Objects	4,550.00		4,550.00	3,307.00	1,243.00
Total Improvement Instructional Services	<u>440,581.00</u>	<u>53,499.99</u>	<u>494,080.99</u>	<u>440,071.36</u>	<u>54,009.63</u>
Educational Media Services/School Library:					
Salaries	80,920.00	(8,193.26)	72,726.74	71,997.71	729.03
Salaries - Other		10,492.89	10,492.89	10,469.17	23.72
Salaries of Technology Coordinators	59,886.00	(0.17)	59,885.83	58,462.80	1,423.03
Purchased Professional and Technical Services	112,368.00	0.52	112,368.52	108,585.18	3,783.34
Other Purchased Services	15,885.00	(250.00)	15,635.00	14,443.58	1,191.42
Supplies and Materials	51,237.00	2,446.10	53,683.10	47,470.67	6,212.43
Total Educational Media Services/School Library	<u>320,296.00</u>	<u>4,496.08</u>	<u>324,792.08</u>	<u>311,429.11</u>	<u>13,362.97</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	731.00	(0.34)	730.66	652.00	78.66
Salaries of Other Professional Staff	36,950.00	(16,454.00)	20,496.00	11,704.63	8,791.37
Salaries of Secretarial and Clerical Assistants	21,095.00	0.19	21,095.19	21,045.19	50.00
Other Salaries	550.00		550.00		550.00
Purchased Professional - Educational Services	80,635.00	(21,000.00)	59,635.00	37,031.71	22,603.29
Other Purchased Services	18,143.00	2,749.50	20,892.50	18,051.80	2,840.70
Supplies and Materials	4,450.00		4,450.00	670.44	3,779.56
Total Instructional Staff Training Services	<u>162,554.00</u>	<u>(34,704.65)</u>	<u>127,849.35</u>	<u>89,155.77</u>	<u>38,693.58</u>

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 109,839.00	\$ 42,599.72	\$ 152,438.72	\$ 150,620.75	\$ 1,817.97
Legal Services	45,903.00	12,324.68	58,227.68	58,225.53	2.15
Audit Fees	23,000.00		23,000.00	22,750.00	250.00
Architectural / Engineering Services	38,151.00	(8,174.57)	29,976.43	20,316.59	9,659.84
Other Purchased Professional Services	54,890.00	(36,100.00)	18,790.00	18,048.49	741.51
Purchased Technical Services	23,150.00	21,200.00	44,350.00	38,765.23	5,584.77
Communications/Telephone	25,400.00	7,265.13	32,665.13	32,665.13	
Travel - All Other		3,709.87	3,709.87	3,292.77	417.10
BOE Other Purchased Services	100.00		100.00	98.60	1.40
Miscellaneous Purchased Services	35,650.00	(3,850.00)	31,800.00	31,089.78	710.22
General Supplies	10,850.00	30.00	10,880.00	10,875.44	4.56
BOE In-house Training and Meeting Supplies	3,250.00	(30.00)	3,220.00	2,433.24	786.76
Miscellaneous Expenditures	2,100.00	(1,775.00)	325.00	325.00	
BOE Membership Dues and Fees	12,250.00	(250.00)	12,000.00	11,996.60	3.40
Total Support Services General Administration	<u>384,533.00</u>	<u>36,949.83</u>	<u>421,482.83</u>	<u>401,503.15</u>	<u>19,979.68</u>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	261,684.00	(2,000.19)	259,683.81	256,427.51	3,256.30
Salaries of Other Professional Staff	500.00	310.00	810.00	808.13	1.87
Salaries of Secretarial and Clerical Assistants	148,749.00	(7,224.69)	141,524.31	139,963.90	1,560.41
Unused Vacation Payment to Term/Ret Staff	9,200.00		9,200.00	9,181.82	18.18
Purchased Professional and Technical Services	200.00		200.00	25.00	175.00
Other Purchased Services	16,820.00	(1,175.00)	15,645.00	13,658.15	1,986.85
Travel - All Other		4,565.00	4,565.00	1,663.50	2,901.50
Supplies and Materials	10,445.00	(1,111.40)	9,333.60	8,524.90	808.70
Other Objects	3,195.00		3,195.00	3,088.00	107.00
Total Support Services School Administration	<u>450,793.00</u>	<u>(6,636.28)</u>	<u>444,156.72</u>	<u>433,340.91</u>	<u>10,815.81</u>

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Central Services:					
Salaries	\$ 339,358.00	\$ (44,507.48)	\$ 294,850.52	\$ 293,097.08	\$ 1,753.44
Unused Vacation Payment to Terminated/Retired Staff		3,552.00	3,552.00	3,551.66	0.34
Purchased Technical Services	37,500.00	11,635.00	49,135.00	38,051.59	11,083.41
Other Purchased Services	6,275.00	1,265.00	7,540.00	7,091.16	448.84
Supplies and Materials	9,600.00	1,350.00	10,950.00	10,839.98	110.02
Interest on Current Loans	16,750.00		16,750.00	16,750.00	
Miscellaneous Expenditures	3,625.00	100.00	3,725.00	3,563.24	161.76
Total Central Services	413,108.00	(26,605.48)	386,502.52	372,944.71	13,557.81
Administrative Information Technology:					
Purchased Technical Services	5,200.00		5,200.00	5,200.00	
Total Administrative Information Technology	5,200.00		5,200.00	5,200.00	
Required Maintenance for School Facilities:					
Salaries	76,170.00	(11,500.00)	64,670.00	63,475.00	1,195.00
Cleaning, Repair & Maintenance Services	420,520.00	71,038.50	491,558.50	437,708.36	53,850.14
General Supplies	15,000.00	(1,000.00)	14,000.00	13,510.98	489.02
Total - Required Maintenance for School Facilities	511,690.00	58,538.50	570,228.50	514,694.34	55,534.16
Custodial Services:					
Salaries	343,017.00	3,225.00	346,242.00	344,589.72	1,652.28
Salaries of Non-Instructional Aids	88,086.00	6,862.47	94,948.47	89,509.10	5,439.37
Purchased Professional & Technical Services	76,460.00	(13,650.00)	62,810.00	52,257.62	10,552.38
Cleaning, Repair & Maintenance Services	50,750.00	31,000.09	81,750.09	81,629.53	120.56
Rental of Land and Buildings Other Than Lease	3,800.00		3,800.00		3,800.00
Other Purchased Property Services	618,714.00	(10,000.14)	608,713.86	602,944.36	5,769.50
Insurance	55,500.00	(5,750.00)	49,750.00	48,716.40	1,033.60

(Continued)



## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Custodial Services (Cont'd):					
Miscellaneous Purchased Services	\$ 2,250.00	\$ 750.00	\$ 3,000.00	\$ 2,871.17	\$ 128.83
General Supplies	72,754.00	12,500.25	85,254.25	82,479.61	2,774.64
Energy (Natural Gas)	73,802.00	(4,850.53)	68,951.47	54,252.37	14,699.10
Energy (Electricity)	300,900.00	4,850.00	305,750.00	244,904.77	60,845.23
Energy (Gasoline)	2,650.00		2,650.00		2,650.00
Other Objects	2,300.00		2,300.00	385.00	1,915.00
	<u>1,690,983.00</u>	<u>24,937.14</u>	<u>1,715,920.14</u>	<u>1,604,539.65</u>	<u>111,380.49</u>
Total Other Operations and Maintenance of Plant					
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	40,250.00		40,250.00	30,181.23	10,068.77
General Supplies	2,000.00		2,000.00		2,000.00
	<u>42,250.00</u>		<u>42,250.00</u>	<u>30,181.23</u>	<u>12,068.77</u>
Total Care and Upkeep of Grounds					
Security:					
Purchased Professional and Technical Services	110,000.00		110,000.00	94,721.98	15,278.02
Cleaning, Repair, and Maintenance Services	31,928.00	(7,459.90)	24,468.10	2,933.18	21,534.92
General Supplies	2,250.00	1,460.00	3,710.00	3,017.64	692.36
	<u>144,178.00</u>	<u>(5,999.90)</u>	<u>138,178.10</u>	<u>100,672.80</u>	<u>37,505.30</u>
Total Security					
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	87,543.00	1,000.01	88,543.01	88,406.18	136.83
Management Fee - ES & CTSA Trasn. Program	45,000.00		45,000.00	39,636.68	5,363.32
Other Purchased Professional and Technical Services	6,000.00		6,000.00	5,500.00	500.00
Cleaning, Repair, and Maintenance Services	150.00		150.00	66.28	83.72
Contracted Services - Aid in Lieu of Payments-Non Public	75,000.00		75,000.00	68,249.25	6750.75
Contracted Services - Aid in Lieu of Payments - Charter Schools	2,050.00		2,050.00	2,000.00	50.00
Contracted Services - Aid in Lieu of Payments - School Choice	7,200.00		7,200.00	1,000.00	6,200.00
Contracted Services (Between Home & School) - Vendors	930,000.00	(8,250.00)	921,750.00	751,574.60	170,175.40

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services (Cont'd):					
Contracted Services (Other than Between Home & School) - Vendors	\$ 93,650.00	\$ (700.00)	\$ 92,950.00	\$ 66,532.89	\$ 26,417.11
Contracted Services (Between Home & School) - Joint Agreements	10,000.00		10,000.00		10,000.00
Contracted Services (Special Education) - Vendors	375,000.00	(7,500.00)	367,500.00	266,082.78	101,417.22
Contracted Services (Special Education) - Joint Agreements	4,650.00	7,500.00	12,150.00	11,926.00	224.00
Contracted Services (Regular Students) - ESC's & CTSA's	98,565.00	7,500.00	106,065.00	104,836.40	1,228.60
Contracted Services (Special Ed. Students) - ESC's & CTSA's	675,000.00		675,000.00	659,102.12	15,897.88
Miscellaneous Purchased Services - Transportation	4,325.00	20.00	4,345.00	1,793.98	2,551.02
General Supplies	2,500.00		2,500.00	1,602.97	897.03
Other Objects	175.00		175.00		175.00
Total Student Transportation Services	<u>2,416,808.00</u>	<u>(429.99)</u>	<u>2,416,378.01</u>	<u>2,068,310.13</u>	<u>348,067.88</u>
Allocated Benefits:					
Regular Programs - Instruction - Employee Benefits:					
Social Security Contributions	41,625.00	(4,399.00)	37,226.00	37,178.85	47.15
Other Retirement Contributions - PERS	12,440.00		12,440.00	12,438.85	1.15
Other Retirement Contributions - Regular	4,200.00		4,200.00	3,615.31	584.69
Health Benefits	797,780.00	11,675.00	809,455.00	761,885.43	47,569.57
Tuition Reimbursement	15,186.00	0.25	15,186.25	5,561.25	9,625.00
Unused Sick Payment to Terminated/Retired Staff	5,000.00	130.00	5,130.00	5,128.68	1.32
Total Regular Programs - Instruction	<u>876,231.00</u>	<u>7,406.25</u>	<u>883,637.25</u>	<u>825,808.37</u>	<u>57,828.88</u>
Special Programs - Instruction - Employee Benefits:					
Social Security Contributions	16,600.00	1,599.00	18,199.00	18,197.67	1.33
Other Retirement Contributions - PERS	10,025.00		10,025.00	10,023.20	1.80
Other Retirement Contributions - Regular	3,750.00		3,750.00	2,866.91	883.09
Health Benefits	543,059.00	14,470.00	557,529.00	513,246.27	44,282.73
Tuition Reimbursement	2,554.00	(0.25)	2,553.75	2,553.75	
Unused Sick Payment to Terminated/Retired Staff	6,800.00		6,800.00	6,787.50	12.50
Total Special Programs - Instruction	<u>582,788.00</u>	<u>16,068.75</u>	<u>598,856.75</u>	<u>553,675.30</u>	<u>45,181.45</u>

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Other Instructional Programs - Instruction - Employee Benefits:					
Social Security Contributions	\$ 120.00	\$ 600.00	\$ 720.00	\$ 698.52	\$ 21.48
Total Other Instructional Programs - Instruction - Employee Benefits	<u>120.00</u>	<u>600.00</u>	<u>720.00</u>	<u>698.52</u>	<u>21.48</u>
Attendance and Social Work Services - Employee Benefits:					
Social Security Contributions	4,100.00		4,100.00	3,426.76	673.24
Other Retirement Contributions - PERS	6,800.00		6,800.00	6,562.73	237.27
Health Benefits	74,716.00	(23,550.00)	51,166.00	47,979.54	3,186.46
Total Attendance and Social Work Services - Employee Benefits	<u>85,616.00</u>	<u>(23,550.00)</u>	<u>62,066.00</u>	<u>57,969.03</u>	<u>4,096.97</u>
Health Services - Employee Benefits:					
Social Security Contributions	1,625.00		1,625.00	966.25	658.75
Other Retirement Contributions - PERS	4,005.00		4,005.00	4,003.24	1.76
Other Retirement Contributions - Regular	265.00		265.00		265.00
Health Benefits	77,921.00	(17,490.00)	60,431.00	56,559.75	3,871.25
Tuition Reimbursement	2,260.00		2,260.00	2,260.00	
Total Health Services - Employee Benefits	<u>86,076.00</u>	<u>(17,490.00)</u>	<u>68,586.00</u>	<u>63,789.24</u>	<u>4,796.76</u>
Other Support Services - Students - Related Services - Employee Benefits:					
Social Security Contributions	475.00		475.00	240.74	234.26
Health Benefits	18,238.00	150.00	18,388.00	12,119.96	6,268.04
Total Other Support Services - Students - Related Services - Employee Benefits	<u>18,713.00</u>	<u>150.00</u>	<u>18,863.00</u>	<u>12,360.70</u>	<u>6,502.30</u>
Other Support Services - Students - Extraordinary Services - Employee Benefits:					
Social Security Contributions	12,600.00	(1,100.00)	11,500.00	11,493.83	6.17
Other Retirement Contributions - PERS	8,275.00		8,275.00	8,256.33	18.67
Other Retirement Contributions - Regular	3,800.00		3,800.00	2,787.84	1,012.16
Total Other Support Services - Students - Extraordinary Services - Employee Benefits	<u>24,675.00</u>	<u>(1,100.00)</u>	<u>23,575.00</u>	<u>22,538.00</u>	<u>1,037.00</u>

(Continued)

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Other Support Services - Guidance - Employee Benefits:					
Social Security Contributions	\$ 575.00		\$ 575.00	\$ 466.40	\$ 108.60
Health Benefits	41,720.00	\$ 1,150.00	42,870.00	40,854.40	2,015.60
<b>Total Other Support Services - Guidance - Employee Benefits</b>	<b>42,295.00</b>	<b>1,150.00</b>	<b>43,445.00</b>	<b>41,320.80</b>	<b>2,124.20</b>
Other Support Services - Child Study Teams - Employee Benefits:					
Group Insurance	2,500.00		2,500.00		2,500.00
Social Security Contributions	8,925.00		8,925.00	8,178.13	746.87
Other Retirement Contributions - PERS	5,950.00		5,950.00	5,556.44	393.56
Health Benefits	58,207.00	(4,480.00)	53,727.00	50,859.62	2,867.38
Unused Sick Payments to Terminated/Retired Staff	15,000.00		15,000.00	15,000.00	
<b>Total Other Support Services - Child Study Teams - Employee Benefits</b>	<b>90,582.00</b>	<b>(4,480.00)</b>	<b>86,102.00</b>	<b>79,594.19</b>	<b>6,507.81</b>
Improvement of Instruction Services - Employee Benefits:					
Group Insurance	1,800.00		1,800.00	1,647.40	152.60
Social Security Contributions	7,350.00	800.00	8,150.00	7,934.91	215.09
Other Retirement Contributions - PERS	5,275.00		5,275.00	5,224.91	50.09
Health Benefits	101,978.00	(775.00)	101,203.00	80,246.73	20,956.27
Tuition Reimbursement	3,000.00		3,000.00	1,750.00	1,250.00
<b>Total Improvement of Instruction Services - Employee Benefits</b>	<b>119,403.00</b>	<b>25.00</b>	<b>119,428.00</b>	<b>96,803.95</b>	<b>22,624.05</b>
Educational Media Services - School Library - Employee Benefits:					
Social Security Contributions	10,400.00	150.00	10,550.00	10,538.45	11.55
Other Retirement Contributions - PERS	14,805.00		14,805.00	14,802.50	2.50
Other Retirement Contributions - Regular	1,325.00		1,325.00	700.01	624.99
Health Benefits	27,005.00		27,005.00	20,610.53	6,394.47
<b>Total Educational Media Services - School Library - Employee Benefits</b>	<b>53,535.00</b>	<b>150.00</b>	<b>53,685.00</b>	<b>46,651.49</b>	<b>7,033.51</b>
Instructional Staff Training Services - Employee Benefits:					
Social Security Contributions	4,000.00	(475.00)	3,525.00	2,617.39	907.61
Other Retirement Contributions - PERS	2,035.00		2,035.00	1,040.09	994.91
Health Benefits	12,692.00		12,692.00	5,239.93	7,452.07
<b>Total Instructional Staff Training Services - Employee Benefits</b>	<b>18,727.00</b>	<b>(475.00)</b>	<b>18,252.00</b>	<b>8,897.41</b>	<b>9,354.59</b>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Support Services - General Administration - Employee Benefits:					
Group Insurance	\$ 2,400.00		\$ 2,400.00	\$ 858.00	\$ 1,542.00
Social Security Contributions	3,050.00		3,050.00	2,795.45	254.55
Other Retirement Contributions - PERS	8,410.00		8,410.00	8,409.74	0.26
Health Benefits	26,749.00	\$ (1,000.00)	25,749.00	23,477.08	2,271.92
Tuition Reimbursement	3,000.00		3,000.00		3,000.00
<b>Total Support Services - General Administration - Employee Benefits</b>	<b>43,609.00</b>	<b>(1,000.00)</b>	<b>42,609.00</b>	<b>35,540.27</b>	<b>7,068.73</b>
Support Services - School Administration - Employee Benefits:					
Group Insurance	5,450.00		5,450.00	2,574.00	2,876.00
Social Security Contributions	11,950.00	500.00	12,450.00	12,270.36	179.64
Other Retirement Contributions - PERS	18,835.00		18,835.00	18,830.03	4.97
Other Retirement Contributions - Regular	400.00		400.00		400.00
Health Benefits	178,474.00	(1,000.00)	177,474.00	163,562.87	13,911.13
Tuition Reimbursement	3,000.00		3,000.00	2,300.00	700.00
Unused Sick Payment to Terminated/Retired Staff	3,333.00		3,333.00	3,333.00	
<b>Total Support Services - School Administration - Employee Benefits</b>	<b>221,442.00</b>	<b>(500.00)</b>	<b>220,942.00</b>	<b>202,870.26</b>	<b>18,071.74</b>
Support Services - Central Services - Employee Benefits:					
Group Insurance	2,850.00		2,850.00	2,574.00	276.00
Social Security Contributions	14,650.00	500.00	15,150.00	15,022.48	127.52
Other Retirement Contributions - PERS	21,170.00		21,170.00	21,168.74	1.26
Health Benefits	128,069.00	(1,850.00)	126,219.00	115,888.50	10,330.50
<b>Total Support Services - Central Services - Employee Benefits</b>	<b>166,739.00</b>	<b>(1,350.00)</b>	<b>165,389.00</b>	<b>154,653.72</b>	<b>10,735.28</b>
Required Maintenance for School Facilities - Employee Benefits:					
Social Security Contributions	5,500.00		5,500.00	5,021.81	478.19
Health Benefits	17,500.00	200.00	17,700.00	14,136.04	3,563.96
<b>Total Operation and Maintenance of Plant Service - Employee Benefits</b>	<b>23,000.00</b>	<b>200.00</b>	<b>23,200.00</b>	<b>19,157.85</b>	<b>4,042.15</b>
Custodial Services - Employee Benefits					
Social Security Contributions	32,000.00	1,575.00	33,575.00	33,094.64	480.36
Other Retirement Contributions - PERS	16,080.00		16,080.00	16,077.49	2.51
Other Retirement Contributions - Regular	1,100.00		1,100.00	852.05	247.95
Health Benefits	54,473.00	6,000.00	60,473.00	58,677.46	1,795.54
<b>Total Operation and Maintenance of Plant Service - Employee Benefits</b>	<b>103,653.00</b>	<b>7,575.00</b>	<b>111,228.00</b>	<b>108,701.64</b>	<b>2,526.36</b>

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services - Employee Benefits:					
Social Security Contributions	\$ 7,000.00	\$ 250.00	\$ 7,250.00	\$ 7,156.58	\$ 93.42
Other Retirement Contributions - PERS	10,500.00		10,500.00	9,822.69	677.31
Health Benefits	54,858.00	(9,000.00)	45,858.00	39,001.00	6,857.00
Total Student Transportation Services - Employee Benefits	<u>72,358.00</u>	<u>(8,750.00)</u>	<u>63,608.00</u>	<u>55,980.27</u>	<u>7,627.73</u>
Total Allocated Benefits	<u>2,629,562.00</u>	<u>(25,370.00)</u>	<u>2,604,192.00</u>	<u>2,387,011.01</u>	<u>217,180.99</u>
Unallocated Benefits - Employee Benefits:					
Group Insurance	2,625.00		2,625.00	2,625.00	
Unemployment	22,375.00	(250.00)	22,125.00		22,125.00
Workmen's Compensation	155,000.00		155,000.00	154,960.57	39.43
Other Employee Benefits		250.00	250.00	160.00	90.00
Total Unallocated Benefits - Employee Benefits	<u>180,000.00</u>		<u>180,000.00</u>	<u>157,745.57</u>	<u>22,254.43</u>
On-behalf Contributions-					
T.P.A.F. Post-Retirement Medical				597,972.00	(597,972.00)
Teacher's Pension and Annuity Fund				1,291,256.00	(1,291,256.00)
T.P.A.F. Long-Term Disability Insurance				1,701.00	(1,701.00)
T.P.A.F. Non-contributory Insurance				27,029.00	(27,029.00)
Reimbursed TPAF Social Security Contributions				503,078.81	(503,078.81)
Total TPAF Contributions				<u>2,421,036.81</u>	<u>(2,421,036.81)</u>
Total Undistributed Expenses	<u>21,375,581.00</u>	<u>35,035.20</u>	<u>21,410,616.20</u>	<u>22,755,076.51</u>	<u>(1,344,460.31)</u>
Total Expenditures - Current Expense	<u>27,507,379.00</u>	<u>(33,040.79)</u>	<u>27,474,338.21</u>	<u>28,426,340.88</u>	<u>(952,002.67)</u>

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	\$ 104,800.00		\$ 104,800.00	\$ 104,629.35	\$ 170.65
Support Services - Related & Extraordinary	10,589.00	\$ (4,000.00)	6,589.00	3,750.00	2,839.00
Support Services - Instructional Staff		2,250.00	2,250.00		2,250.00
Regular Maintenance of School Facilities		6,711.00	6,711.00		6,711.00
Custodial Services	18,425.00	0.32	18,425.32	18,338.72	86.60
Total - Equipment	133,814.00	4,961.32	138,775.32	126,718.07	12,057.25
Facilities Acquisition and Construction Services:					
Architectural and Engineering Services	12,454.00	18,599.73	31,053.73	27,924.03	3,129.70
Construction Services	300,446.00	10,050.00	310,496.00	170,480.93	140,015.07
Assessment for Debt Service on SDA Funding	3,331.00		3,331.00	3,331.00	
Total Facilities Acquisition and Construction Services	316,231.00	28,649.73	344,880.73	201,735.96	143,144.77
Total Capital Outlay	450,045.00	33,611.05	483,656.05	328,454.03	155,202.02
SPECIAL SCHOOLS:					
Summer School - Instruction:					
Salaries of Teachers	27,286.00	129.66	27,415.66	27,413.71	1.95
Other Salaries for Instruction	13,221.00	0.08	13,221.08	9,265.44	3,955.64
Total Summer School - Instruction	40,507.00	129.74	40,636.74	36,679.15	3,957.59
Summer School - Support Services:					
Salaries	9,745.00	0.20	9,745.20	7,659.54	2,085.66
Personal Services - Employee Benefits	3,575.00		3,575.00	3,170.31	404.69
Supplies and Materials	600.00		600.00	42.99	557.01
Total Summer School Support Services	13,920.00	0.20	13,920.20	10,872.84	3,047.36
Total Special Schools	54,427.00	129.94	54,556.94	47,551.99	7,004.95

(Continued)

## TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2019

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Transfer of Funds to Charter Schools	\$ 11,272.00		\$ 11,272.00	\$ 11,272.00	
Total Expenditures	<u>28,023,123.00</u>	\$ 700.20	<u>28,023,823.20</u>	<u>28,813,618.90</u>	<u>(789,795.70)</u>
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,466,500.00)	(52,077.20)	(1,518,577.20)	809,655.75	2,328,232.95
Other Financing Sources (Uses):					
Transfer from Adult Piano Fund to close fund				1,870.58	1,870.58
Transfer to Capital Reserve	(517,128.00)		(517,128.00)	(517,128.00)	
Increase in Capital Reserve				517,128.00	517,128.00
Interest Deposited Into Capital Reserve				9,228.78	9,228.78
Interest Transfer to Capital Reserve	(25.00)		(25.00)	(9,228.78)	(9,203.78)
Total - Other Financing Sources (Uses)	<u>(517,153.00)</u>		<u>(517,153.00)</u>	<u>1,870.58</u>	<u>519,023.58</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,983,653.00)	(52,077.20)	(2,035,730.20)	811,526.33	2,847,256.53
Fund Balances, July 1	<u>3,147,747.88</u>		<u>3,147,747.88</u>	<u>3,147,747.88</u>	
Fund Balances, June 30	<u>\$ 1,164,094.88</u>	<u>\$ (52,077.20)</u>	<u>\$ 1,112,017.68</u>	<u>\$ 3,959,274.21</u>	<u>\$ 2,847,256.53</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 526,356.78	
For Excess Surplus				555,498.30	
Excess Surplus - Designated for Subsequent Year's Expenditures				464,737.67	
Assigned Fund Balance:					
Year-End Encumbrances				214,514.49	
Designated for Subsequent Year's Expenditures				1,436,171.33	
Unassigned Fund Balance				<u>761,995.64</u>	
				3,959,274.21	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(1,242,847.10)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,716,427.11</u>	



**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	\$ 21,590.89	\$ 15,033.23	\$ 36,624.12	\$ 32,571.75	\$ (4,052.37)
Total - Local Sources	<u>21,590.89</u>	<u>15,033.23</u>	<u>36,624.12</u>	<u>32,571.75</u>	<u>(4,052.37)</u>
State Sources:					
Preschool Expansion Aid	<u>2,001,519.00</u>		<u>2,001,519.00</u>	<u>1,641,028.91</u>	<u>(360,490.09)</u>
Total - State Sources	<u>2,001,519.00</u>		<u>2,001,519.00</u>	<u>1,641,028.91</u>	<u>(360,490.09)</u>
Federal Sources:					
Title I Grants to Local Educational Agencies	232,992.00	6,737.00	239,729.00	239,729.00	
Supporting Effective Instruction State Grants (Title II, Part A)	34,583.00		34,583.00	34,583.00	
Student Support & Academic Enrichment (Title IV)	13,992.00		13,992.00	13,992.00	
Special Education Grants to States (IDEA) - Basic	206,743.00		206,743.00	206,743.00	
Special Education Grants to States (IDEA) - Preschool	<u>15,945.00</u>		<u>15,945.00</u>	<u>15,945.00</u>	
Total - Federal Sources	<u>504,255.00</u>	<u>6,737.00</u>	<u>510,992.00</u>	<u>510,992.00</u>	
Total Revenues	<u>2,527,364.89</u>	<u>21,770.23</u>	<u>2,549,135.12</u>	<u>2,184,592.66</u>	<u>(364,542.46)</u>

(Continued)

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	\$ 547,882.00	\$ 120,080.03	\$ 667,962.03	\$ 667,677.97	\$ 284.06
Other Salaries for Instruction	102,358.00	(3,345.00)	99,013.00	94,975.41	4,037.59
Purchased Professional - Educational Services	2,592.00	(1,300.00)	1,292.00		1,292.00
Other Purchased Services	209,743.00		209,743.00	209,743.00	
General Supplies	282,912.89	(13,685.09)	269,227.80	263,750.41	5,477.39
Textbooks	800.00		800.00	766.48	33.52
Other Objects	15,000.00	(500.00)	14,500.00	2,361.21	12,138.79
<b>Total Instruction</b>	<b>1,161,287.89</b>	<b>101,249.94</b>	<b>1,262,537.83</b>	<b>1,239,274.48</b>	<b>23,263.35</b>
Support Services:					
Salaries	11,720.00	1,930.00	13,650.00	13,650.00	
Salaries of Supervisors of Instruction	27,500.00	(16,500.00)	11,000.00	10,999.98	0.02
Salaries of Program Directors	59,556.00	(31,924.00)	27,632.00	24,453.42	3,178.58
Salaries of Other Professional Staff	81,850.00	14,222.00	96,072.00	64,204.77	31,867.23
Salaries of Secretarial and Clerical Assistants	16,699.00	1,110.00	17,809.00	16,153.19	1,655.81
Other Salaries		2,800.00	2,800.00	2,173.62	626.38
Salaries Community Parent Involvement Specialist	33,010.00	(11,785.00)	21,225.00	12,641.76	8,583.24
Salaries of Master Teacher	70,674.00	(9,258.00)	61,416.00	60,349.90	1,066.10
Personal Services-Employee Benefits	266,059.00	1,921.50	267,980.50	156,661.28	111,319.22
Purchased Professional and Technical Services	18,992.00		18,992.00	18,992.00	
Purchased Professional Education Services - Contracted Pre-K	190,185.00	(190,185.00)			
Other Purchased Professional Education Services	30,000.00	(4,000.00)	26,000.00	9,650.00	16,350.00
Other Purchased Professional Services		4,000.00	4,000.00	3,750.00	250.00
Cleaning Repair and Maintenance	30,000.00	2,850.00	32,850.00	31,990.27	859.73
Other Purchased Services	12,230.00	(39.44)	12,190.56	12,190.56	
Contracted Services - Transportation (Between Home and School)	300,000.00	(146,993.00)	153,007.00	95,167.48	57,839.52
Contracted Services - Transportation (Field Trips)	43,892.00	(13,265.00)	30,627.00	2,516.80	28,110.20
Miscellaneous Purchased Services		2,500.00	2,500.00	110.00	2,390.00
Supplies and Materials	40,115.00	29,636.23	69,751.23	59,042.25	10,708.98
Other Objects		300,000.00	300,000.00	235,698.57	64,301.43
<b>Total Support Services</b>	<b>1,232,482.00</b>	<b>(62,979.71)</b>	<b>1,169,502.29</b>	<b>830,395.85</b>	<b>339,106.44</b>

(Continued)

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<b>EXPENDITURES:</b>					
Facilities Acquisition and Construction Services:					
Instructional Equipment	\$ 60,000.00	\$ 50,500.00	\$ 110,500.00	\$ 110,142.33	\$ 357.67
Non-Instructional Equipment	73,595.00	(67,000.00)	6,595.00	4,780.00	1,815.00
Total Facilities Acquisition and Construction Services	<u>133,595.00</u>	<u>(16,500.00)</u>	<u>117,095.00</u>	<u>114,922.33</u>	<u>2,172.67</u>
Total Expenditures	<u>2,527,364.89</u>	<u>21,770.23</u>	<u>2,549,135.12</u>	<u>2,184,592.66</u>	<u>364,542.46</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2019

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

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 29,623,274.65	\$2,184,592.66
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		6,949.11
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(53,750.47)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,237,247.00	
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(1,242,847.10)</u>	<u>(200,151.90)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 29,617,674.55</u>	<u>\$1,937,639.40</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 28,813,618.90	\$2,184,592.66
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(52,650.47)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 28,813,618.90</u>	<u>\$2,131,942.19</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System (PERS)  
 Last Six Plan Years

	<b>Measurement Date Ending June 30,</b>					
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.0139461364%	0.0159498148%	0.0172366571%	0.0173849565%	0.0157231038%	0.0158926670%
School District's Proportionate Share of the Net Pension Liability	\$ 2,745,925.00	\$ 3,712,862.00	\$ 5,105,003.00	\$ 3,902,574.00	\$ 2,943,795.00	\$ 3,037,404.00
School District's Covered Payroll (Plan Measurement Period)	\$ 989,876.00	\$ 1,143,512.00	\$ 1,274,524.00	\$ 1,292,032.00	\$ 1,171,152.00	\$ 1,181,768.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	277.40%	324.69%	400.54%	302.05%	251.36%	257.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**

Required Supplementary Information  
 Schedule of the School District's Contributions  
 Public Employees' Retirement System (PERS)  
 Last Six Fiscal Years

	<b>Fiscal Year Ended June 30,</b>					
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Contractually Required Contribution	\$ 134,281.00	\$ 138,719.00	\$ 147,758.00	\$ 153,128.00	\$ 149,464.00	\$ 129,619.00
Contributions in Relation to the Contractually Required Contribution	<u>(134,281.00)</u>	<u>(138,719.00)</u>	<u>(147,758.00)</u>	<u>(153,128.00)</u>	<u>(149,464.00)</u>	<u>(129,619.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,268,800.00	\$ 966,279.00	\$ 919,737.00	\$ 862,618.00	\$ 1,173,612.00	\$ 1,093,263.00
Contributions as a Percentage of School District's Covered Payroll	10.58%	14.36%	16.07%	17.75%	12.74%	11.86%

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 Teachers' Pension and Annuity Fund (TPAF)  
 Last Six Plan Years

	<b>Measurement Date Ending June 30,</b>					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>42,496,725.00</u>	<u>42,786,258.00</u>	<u>50,175,013.00</u>	<u>37,191,626.00</u>	<u>32,863,328.00</u>	<u>31,650,812.00</u>
	<u>\$ 42,496,725.00</u>	<u>\$ 42,786,258.00</u>	<u>\$ 50,175,013.00</u>	<u>\$ 37,191,626.00</u>	<u>\$ 32,863,328.00</u>	<u>\$ 31,650,812.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 8,095,644.00	\$ 8,109,996.00	\$ 7,546,188.00	\$ 7,691,280.00	\$ 6,882,600.00	\$ 6,926,520.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	524.93%	527.57%	664.91%	483.56%	477.48%	456.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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



**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Required Supplementary Information  
Schedule of School District's Contributions  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years

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This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2019

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**Teachers' Pension and Annuity Fund (TPAF)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017 and 4.86% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2012- June 30, 2015 experience study.

**Public Employees' Retirement System (PERS)**

*Changes in Benefit Terms* - None

*Changes in Assumptions* - The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART IV**

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Required Supplementary Information  
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios  
 Last Two Plan Years

	<u>Measurement Date Ending June 30,</u>	
	<u>2018</u>	<u>2017</u>
<b>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</b>		
Changes for the Year:		
Service Cost	\$ 1,221,998.00	\$ 1,468,125.00
Interest Cost	1,658,525.00	1,437,916.00
Difference Between Expected and Actual Experience	(3,968,995.00)	
Changes in Assumptions	(4,478,882.00)	(5,773,930.00)
Gross Benefit Payments	(1,043,647.00)	(1,056,306.00)
Member Contributions	36,070.00	38,896.00
Net Change in Total Non-Employer OPEB Liability	(6,574,931.00)	(3,885,299.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	45,604,884.00	49,490,183.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 39,029,953.00</u>	<u>\$ 45,604,884.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 2,135,711.00</u>	<u>\$ 2,271,380.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	1827.49%	2007.81%

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

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part IV  
For the Fiscal Year Ended June 30, 2019

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Changes of Benefit Terms - None

Differences Between Expected and Actual Experience - The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes of Assumptions - The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2019

	Total	ESEA Consolidated			I. D. E. I.A. -- Part B		Preschool Expansion Grant	Total Brought Forward
		Title I Grants to Local Educational Agencies	Supporting Effective Instruction State Grants (Title II, Part A)	Student Support & Academic Achievement Title (IV)	Special Education Grants to States			
					Basic	Preschool		
<b>REVENUES:</b>								
Federal Sources	\$ 510,992.00	\$ 239,729.00	\$ 34,583.00	\$ 13,992.00	\$ 206,743.00	\$ 15,945.00		
State Sources	1,641,028.91						\$ 1,641,028.91	
Local Sources	32,571.75							\$ 32,571.75
<b>Total Revenues</b>	<b>2,184,592.66</b>	<b>239,729.00</b>	<b>34,583.00</b>	<b>13,992.00</b>	<b>206,743.00</b>	<b>15,945.00</b>	<b>1,641,028.91</b>	<b>32,571.75</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries	667,677.97	154,597.03	12,721.00			14,812.00	474,695.94	10,852.00
Other Salaries for Instruction	94,975.41						94,975.41	
Other Purchased Services	209,743.00				206,743.00			3,000.00
General Supplies	263,750.41	17,359.91	200.00				242,173.46	4,017.04
Textbooks	766.48							766.48
Other Objects	2,361.21						2,361.21	
<b>Total Instruction</b>	<b>1,239,274.48</b>	<b>171,956.94</b>	<b>12,921.00</b>		<b>206,743.00</b>	<b>14,812.00</b>	<b>814,206.02</b>	<b>18,635.52</b>
<b>Support Services:</b>								
Salaries- Support	13,650.00	11,650.00						2,000.00
Salaries of Supervisors of Instruction	10,999.98						10,999.98	
Salaries of Program Directors	24,453.42						24,453.42	
Salaries of Other Professional Staff	64,204.77	7,182.00					57,022.77	
Salaries of Secretarial and Clerical Assistants	16,153.19						16,153.19	
Other Salaries	2,173.62						2,173.62	
Salaries of Community Parent Involvement Specialists	12,641.76						12,641.76	
Salaries of Master Teachers	60,349.90						60,349.90	
Personal Services-Employee Benefits	156,661.28	48,940.06	4,471.44			1,133.00	102,116.78	
Professional Technical Services	18,992.00		5,000.00	13,992.00				
Other Purchased Professional - Education Services	9,650.00						9,650.00	
Other Purchased Professional Services	3,750.00						3,750.00	
Cleaning, Repair, and Maintenance Services	31,990.27						31,990.27	
Contract Services - Transportation (Between Home and School)	95,167.48						95,167.48	
Contract Services - Transportation (Field Trips)	2,516.80						2,516.80	
Other Purchased Services	12,190.56		12,190.56					
Miscellaneous Purchased Services	110.00						110.00	
Supplies and Materials	59,042.25						47,106.02	11,936.23
Other Objects	235,698.57						235,698.57	
<b>Total Support Services</b>	<b>830,395.85</b>	<b>67,772.06</b>	<b>21,662.00</b>	<b>13,992.00</b>		<b>1,133.00</b>	<b>711,900.56</b>	<b>13,936.23</b>
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	110,142.33						110,142.33	
Non Instructional Equipment	4,780.00						4,780.00	
<b>Total Facilities Acquisition and Construction Services</b>	<b>114,922.33</b>						<b>114,922.33</b>	
<b>Total Expenditures</b>	<b>2,184,592.66</b>	<b>239,729.00</b>	<b>34,583.00</b>	<b>13,992.00</b>	<b>206,743.00</b>	<b>15,945.00</b>	<b>1,641,028.91</b>	<b>32,571.75</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-

(Continued)



**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2019

	Total Carried Forward	Home and School Grants	Women's Club Mini Grants	Walmart Grant	LOWES Mini Grant	New Jersey Schools Insurance Group Safety Grant	Southern Coastal Wellness Grant	New Jersey YMCA State Alliance Grant
<b>REVENUES:</b>								
Federal Sources								
State Sources								
Local Sources	\$ 32,571.75	\$ 14,147.73	\$ 3,047.63	\$ 1,467.55	\$ 87.61	\$ 6,121.23	\$ 7,000.00	\$ 700.00
<b>Total Revenues</b>	<b>32,571.75</b>	<b>14,147.73</b>	<b>3,047.63</b>	<b>1,467.55</b>	<b>87.61</b>	<b>6,121.23</b>	<b>7,000.00</b>	<b>700.00</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries	10,852.00	10,852.00						
Other Salaries for Instruction								
Other Purchased Services	3,000.00	3,000.00						
General Supplies	4,017.04	295.73	2,166.15	1,467.55	87.61			
Textbooks	766.48		766.48					
Other Objects								
<b>Total Instruction</b>	<b>18,635.52</b>	<b>14,147.73</b>	<b>2,932.63</b>	<b>1,467.55</b>	<b>87.61</b>			
Support Services:								
Salaries- Support	2,000.00						2,000.00	
Salaries of Supervisors of Instruction								
Salaries of Program Directors								
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Assistants								
Other Salaries								
Salaries of Community Parent Involvement Specialists								
Salaries of Master Teachers								
Personal Services-Employee Benefits								
Professional Technical Services								
Other Purchased Professional - Education Services								
Other Purchased Professional Services								
Cleaning, Repair, and Maintenance Services								
Contract Services - Transportation (Between Home and School)								
Contract Services - Transportation (Field Trips)								
Other Purchased Services								
Miscellaneous Purchased Services								
Supplies and Materials	11,936.23		115.00			6,121.23	5,000.00	700.00
Other Objects								
<b>Total Support Services</b>	<b>13,936.23</b>		<b>115.00</b>			<b>6,121.23</b>	<b>7,000.00</b>	<b>700.00</b>
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non Instructional Equipment								
<b>Total Facilities Acquisition and Construction Services</b>								
<b>Total Expenditures</b>	<b>32,571.75</b>	<b>14,147.73</b>	<b>3,047.63</b>	<b>1,467.55</b>	<b>87.61</b>	<b>6,121.23</b>	<b>7,000.00</b>	<b>700.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Statement of Preschool Expansion Aid  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 474,980.00	\$ 474,695.94	\$ 284.06
Other Salaries for Instruction	99,013.00	94,975.41	4,037.59
Purchased Professional Educational Services	1,292.00		1,292.00
General Supplies	247,432.00	242,173.46	5,258.54
Other Objects	14,500.00	2,361.21	12,138.79
<b>Total Instruction</b>	<b>837,217.00</b>	<b>814,206.02</b>	<b>23,010.98</b>
Support Services:			
Salaries of Supervisors of Instruction	11,000.00	10,999.98	0.02
Salaries of Program Directors	27,632.00	24,453.42	3,178.58
Salaries of Other Professional Staff	88,890.00	57,022.77	31,867.23
Salaries of Secretarial and Clerical Assistants	17,809.00	16,153.19	1,655.81
Other Salaries	2,800.00	2,173.62	626.38
Salaries of Community Specialist	21,225.00	12,641.76	8,583.24
Salaries of Master Teachers	61,416.00	60,349.90	1,066.10
Personal Services - Employee Benefits	213,436.00	102,116.78	111,319.22
Other Purchased Professional Educational Services	26,000.00	9,650.00	16,350.00
Other Purchased Professional Services	4,000.00	3,750.00	250.00
Cleaning Repair and Maintenance Services	32,850.00	31,990.27	859.73
Contract Services - Transportation	183,634.00	97,684.28	85,949.72
Miscellaneous Purchased Services	2,500.00	110.00	2,390.00
Supplies and Materials	54,015.00	47,106.02	6,908.98
Other Objects	300,000.00	235,698.57	64,301.43
<b>Total Support Services</b>	<b>1,047,207.00</b>	<b>711,900.56</b>	<b>335,306.44</b>
Facilities Acquisition and Construction Services:			
Instructional Equipment	110,500.00	110,142.33	357.67
Noninstructional Equipment	6,595.00	4,780.00	1,815.00
<b>Total Facilities Acquisition and Construction Services</b>	<b>117,095.00</b>	<b>114,922.33</b>	<b>2,172.67</b>
<b>Total Expenditures</b>	<b>\$ 2,001,519.00</b>	<b>\$ 1,641,028.91</b>	<b>\$ 360,490.09</b>

**Calculation of Budget and Carryover**

Total revised 2018-19 Preschool Education Aid Allocation	
Total 2018-19 Preschool Education Expansion Aid Allocation	\$ 2,001,519.00
Add: Budgeted Transfer from General Fund 2018-19	
<b>Total Preschool Education Funds Available for 2018-19 Budget</b>	<b>2,001,519.00</b>
Less: 2018-19 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	2,001,519.00
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2019	-
Add: June 30, 2019 Unexpended Preschool Education Aid	360,490.09
<b>2018-19 Carryover - Preschool Education Aid/Preschool</b>	<b>\$ 360,490.09</b>
<b>2018-19 Preschool Education Aid Carryover Budgeted for Preschool Programs 2019-20</b>	<b>\$ -</b>

**CAPITAL PROJECTS FUND**

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2019

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2019</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Waterford Elementary School - Various Unbundled Project	6/20/2014	\$ 6,494,501.00	\$ 5,078,216.90		\$ 1,416,284.10
Thomas Richards Elementary School - Various Unbundled Project	12/19/2014	2,600,520.00	2,407,303.41		193,216.59
Atco Elementary School - Various Unbundled Project	12/19/2014	2,655,631.00	2,062,989.59		592,641.41
		<u>\$ 11,750,652.00</u>	<u>\$ 9,548,509.90</u>	<u>\$ -</u>	<u>\$ 2,202,142.10</u>
Reconciliation to Governmental Funds Statements (GAAP):					
Unexpended Balance as of June 30, 2019					\$ 2,202,142.10
ROD Grant Revenue Not Recognized on GAAP Basis					<u>(2,202,142.10)</u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ -</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 For the Fiscal Year Ended June 30, 2019

<hr/>	
<b>Revenues and Other Financing Sources</b>	
State Sources	\$ -
Local Sources	-
	-
Total Revenues	-
 <b>Expenditures and Other Financing Uses</b>	
<b>Expenditures:</b>	
Construction Services	-
	-
Total Expenditures	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-
Fund Balance, July 1	2,202,142.10
Fund Balance, June 30	\$ 2,202,142.10
 <b>Reconciliation to Governmental Funds Statements (GAAP):</b>	
Fund Balance as of June 30, 2019	\$ 2,202,142.10
ROD Grant Revenue Not Recognized on GAAP Basis	(2,202,142.10)
Fund Balance per Governmental Funds (GAAP)	\$ -

Note - For F-2 exhibits, ROD grant awards are recognized as revenue and encumbrances are not included in expenditures.

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Revenues, Expenditures, Project Balance and Project Status  
 Waterford Elementary School Various Unbundled Project  
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - Regular Operating District Grant	\$ 3,184,884.00		\$ 3,184,884.00	\$ 3,184,884.00
Capital Outlay Transfer to Capital Projects	2,399,047.00		2,399,047.00	2,399,047.00
Capital Reserve Transfer to Capital Projects Fund	910,570.00		910,570.00	910,570.00
<b>Total Revenues</b>	<b>6,494,501.00</b>		<b>6,494,501.00</b>	<b>6,494,501.00</b>
<b>Expenditures and Other Financing Uses</b>				
Architecture and Engineering Services	510,486.95		510,486.95	1,298,900.00
Construction Services	4,567,729.95		4,567,729.95	5,195,601.00
<b>Total Expenditures</b>	<b>5,078,216.90</b>		<b>5,078,216.90</b>	<b>6,494,501.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,416,284.10</u>	<u>\$ -</u>	<u>\$ 1,416,284.10</u>	<u>\$ -</u>

Designated for Subsequent Years Expenditures \$ 1,416,284.10

**Additional Project Information**

DOE Project Number	5560-100-14-1003
SDA Project Number	5560-100-14-G3FC
Grant Date	6/20/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 6,494,501.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 6,494,501.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	78%
Original Target Completion Date	8/31/2014
Revised Target Completion Date	6/30/2018

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Revenues, Expenditures, Project Balance and Project Status  
 Thomas Richards Elementary School Various Unbundled Project  
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - Regular Operating District Grant	\$ 1,275,287.00		\$ 1,275,287.00	\$ 1,275,287.00
Local Source - Capital Lease	1,325,233.00		1,325,233.00	1,325,233.00
<b>Total Revenues</b>	<b>2,600,520.00</b>		<b>2,600,520.00</b>	<b>2,600,520.00</b>
<b>Expenditures and Other Financing Uses</b>				
Architecture and Engineering Services	155,017.40		155,017.40	454,211.70
Legal Services	8,522.00		8,522.00	10,000.00
Purchased Professional and Technical Services	60,924.80		60,924.80	55,892.30
Construction Services	2,182,839.21		2,182,839.21	2,080,416.00
<b>Total Expenditures</b>	<b>2,407,303.41</b>		<b>2,407,303.41</b>	<b>2,600,520.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 193,216.59</u>	<u>\$ -</u>	<u>\$ 193,216.59</u>	<u>\$ -</u>
Designated for Subsequent Years Expenditures			<u><u>\$ 193,216.59</u></u>	

**Additional Project Information**

DOE Project Number	5560-060-14-1002
SDA Project Number	5560-060-14-G3FB
Grant Date	12/19/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 2,600,520.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 2,600,520.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	93%
Original Target Completion Date	8/31/2016
Revised Target Completion Date	6/30/2018

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Revenues, Expenditures, Project Balance and Project Status  
 Atco Elementary School Various Unbundled Project  
 From Inception and for the Fiscal Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - Regular Operating District Grant	\$ 1,302,313.00		\$ 1,302,313.00	\$ 1,302,313.00
Local Source - Capital Lease	1,353,318.00		1,353,318.00	1,353,318.00
<b>Total Revenues</b>	<b>2,655,631.00</b>		<b>2,655,631.00</b>	<b>2,655,631.00</b>
<b>Expenditures and Other Financing Uses</b>				
Architecture and Engineering Services	153,064.50		153,064.50	469,386.15
Legal Services	8,522.00		8,522.00	10,000.00
Purchased Professional and Technical Services	51,706.85		51,706.85	51,739.85
Construction Services	1,849,696.24		1,849,696.24	2,124,505.00
<b>Total Expenditures</b>	<b>2,062,989.59</b>		<b>2,062,989.59</b>	<b>2,655,631.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 592,641.41</u>	<u>\$ -</u>	<u>\$ 592,641.41</u>	<u>\$ -</u>
Designated for Subsequent Years Expenditures			<u>\$ 592,641.41</u>	

**Additional Project Information**

DOE Project Number	5560-040-14-1001
SDA Project Number	5560-040-14-G3FA
Grant Date	12/19/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 2,655,631.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 2,655,631.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	78%
Original Target Completion Date	8/31/2016
Revised Target Completion Date	6/30/2018



**PROPRIETARY FUNDS**

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2019

	<u>Food Service</u>	<u>Adult Piano</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,114.16		\$ 1,114.16
Accounts Receivable:			
State	195.98		195.98
Federal	9,221.05		9,221.05
Other	2,445.01		2,445.01
Inventory	<u>14,617.95</u>		<u>14,617.95</u>
Total Current Assets	<u>27,594.15</u>		<u>27,594.15</u>
Noncurrent Assets:			
Equipment	210,990.58		210,990.58
Less Accumulated Depreciation	<u>(155,192.58)</u>		<u>(155,192.58)</u>
Total Noncurrent Assets	<u>55,798.00</u>		<u>55,798.00</u>
Total Assets	<u>83,392.15</u>		<u>83,392.15</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Interfund Payable:			
General Fund	22,000.00		22,000.00
Unearned Revenue	<u>1,617.56</u>		<u>1,617.56</u>
Total Current Liabilities	<u>23,617.56</u>		<u>23,617.56</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	55,798.00		55,798.00
Unrestricted	<u>3,976.59</u>		<u>3,976.59</u>
Total Net Position	<u>\$ 59,774.59</u>	<u>\$ -</u>	<u>\$ 59,774.59</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Enterprise Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2019

	<u>Food Service</u>	<u>Adult Piano</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Breakfast Program	\$ 10,072.46		\$ 10,072.46
School Lunch Program	87,383.31		87,383.31
Daily Sales Non-Reimbursable Programs	35,879.31		35,879.31
Special Functions	5,257.70		5,257.70
Miscellaneous	6,027.54		6,027.54
Program Fees		\$ 12.49	12.49
Total Operating Revenue	<u>144,620.32</u>	<u>12.49</u>	<u>144,632.81</u>
<b>OPERATING EXPENSES:</b>			
Salaries	108,839.12		108,839.12
Employee Benefits	19,965.68		19,965.68
Purchased Professional and Technical Services	33,695.98		33,695.98
Other Purchases Services (400 and 500 Series)	5,821.40		5,821.40
Cost of Goods Sold -- Non-Reimbursable	12,602.30		12,602.30
Cost of Goods Sold -- Reimbursable	101,683.65		101,683.65
Supplies and Materials	10,506.57		10,506.57
Depreciation	5,599.64		5,599.64
Other Objects	152.03		152.03
Total Operating Expenses	<u>298,866.37</u>		<u>298,866.37</u>
Operating Income (Loss)	<u>(154,246.05)</u>	<u>12.49</u>	<u>(154,233.56)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	2,880.42		2,880.42
Federal Sources:			
National School Lunch Program	94,675.81		94,675.81
School Breakfast Program	31,661.31		31,661.31
Food Distribution Program	19,428.87		19,428.87
Total Nonoperating Revenues (Expenses)	<u>148,646.41</u>		<u>148,646.41</u>
Income (Loss) before Contributions and Transfers	<u>(5,599.64)</u>	<u>12.49</u>	<u>(5,587.15)</u>
Contributions and Transfers:			
Transfer of Assets for Fund Closure		(1,870.58)	(1,870.58)
Total Contributions and Transfers		<u>(1,870.58)</u>	<u>(1,870.58)</u>
Change in Net Position	(5,599.64)	(1,858.09)	(7,457.73)
Net Position - July 1	<u>65,374.23</u>	<u>1,858.09</u>	<u>67,232.32</u>
Net Position - June 30	<u>\$ 59,774.59</u>	<u>\$ -</u>	<u>\$ 59,774.59</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Enterprise Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2019

	<u>Food Service</u>	<u>Adult Piano</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 142,986.28	\$ 12.49	\$ 142,998.77
Payments to Employees	(108,839.12)	(12.27)	(108,851.39)
Payments for Employee Benefits	(19,965.68)		(19,965.68)
Payments to Suppliers	<u>(146,760.94)</u>		<u>(146,760.94)</u>
Net Cash Provided by (used for) Operating Activities	<u>(132,579.46)</u>	<u>0.22</u>	<u>(132,579.24)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	3,013.24		3,013.24
Federal Sources	130,680.38		130,680.38
Operating Subsidies and Transfers to Other Funds		<u>(1,870.58)</u>	<u>(1,870.58)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>133,693.62</u>	<u>(1,870.58)</u>	<u>131,823.04</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,114.16	(1,870.36)	(756.20)
Cash and Cash Equivalents, July 1		<u>1,870.36</u>	<u>1,870.36</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,114.16</u>	<u>\$ -</u>	<u>\$ 1,114.16</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)</b>			
by Operating Activities:			
Operating Income (Loss)	<u>\$ (154,246.05)</u>	<u>\$ 12.49</u>	<u>\$ (154,233.56)</u>
Adjustments to Reconcile Operating Income (Loss)			
to Cash Provided (Used) by Operating Activities:			
Depreciation and Net Amortization	5,599.64		5,599.64
Food Distribution Program	19,428.87		19,428.87
Change in Assets and Liabilities:			
(Increase) / Decrease in Accounts Receivable	(1,795.01)		(1,795.01)
(Increase) / Decrease in Inventory	(497.03)		(497.03)
Increase / (Decrease) in Unearned Revenue	160.97		160.97
Increase / (Decrease) in Accounts Payable	<u>(1,230.85)</u>	<u>(12.27)</u>	<u>(1,243.12)</u>
Total Adjustments	<u>21,666.59</u>	<u>(12.27)</u>	<u>21,654.32</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (132,579.46)</u>	<u>\$ 0.22</u>	<u>\$ (132,579.24)</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Internal Service Funds  
 Statement of Net Position  
 June 30, 2019

	Tuition
<b>ASSETS:</b>	
Current Assets:	
Accounts Receivable:	
Other	\$ 21,093.43
Interfund Accounts Receivable:	
General Fund	1,629.08
Agency Fund	215.12
Total Current Assets	22,937.63
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	22,937.63
Total Current Liabilities	22,937.63
<b>NET POSITION:</b>	
Unrestricted	-
Total Net Position	\$ -

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Internal Service Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2019

	Tuition
<b>OPERATING REVENUES:</b>	
Charges for Services:	
Services Provided to Other Boards of Education	\$ 50,409.95
Total Operating Revenues	50,409.95
 <b>OPERATING EXPENSES:</b>	
Tuition	50,409.95
Total Operating Expenses	50,409.95
Change in Net Position	-
Net Position - July 1	-
Net Position - June 30	\$ -

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Internal Service Funds  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2019

	Tuition
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from Customers and Other Funds	\$ 126,766.87
Payments to Suppliers	<u>(136,298.56)</u>
Net Cash Provided by (used for) Operating Activities	<u>(9,531.69)</u>
Cash and Cash Equivalents, July 1	<u>9,531.69</u>
Cash and Equivalents, June 30	<u><u>\$ -</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating income (loss)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable, net	76,356.92
Increase (decrease) in accounts payable	<u>(85,888.61)</u>
Total adjustments	<u>(9,531.69)</u>
Net Cash Provided (Used) in Operating Activities	<u><u>\$ (9,531.69)</u></u>

**FIDUCIARY FUNDS**



**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Fiduciary Funds  
Combining Statement of Fiduciary Net Position  
June 30, 2019

	Private-Purpose Trust Fund	Agency Funds		Totals
	Unemployment Compensation Trust	Student Activity	Payroll	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 20,235.49	\$ 5,722.29	\$ 112,045.81	\$ 138,003.59
Intrafund Accounts Receivable:				
Payroll	868.85			868.85
<b>Total Assets</b>	<u>21,104.34</u>	<u>\$ 5,722.29</u>	<u>\$ 112,045.81</u>	<u>138,872.44</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings			\$ 105,138.51	105,138.51
Intrafund Payable:				
Unemployment Trust			868.85	868.85
Interfund Payable:				
General Fund			5,823.33	5,823.33
Internal Service Fund			215.12	215.12
Intergovernmental Accounts Payable:				
State	1,041.28			1,041.28
Payable to Student Groups		\$ 5,722.29		5,722.29
<b>Total Liabilities</b>	<u>1,041.28</u>	<u>\$ 5,722.29</u>	<u>\$ 112,045.81</u>	<u>118,809.38</u>
<b>NET POSITION:</b>				
Held in Trust for Unemployment Claims and Other Purposes	20,063.06			20,063.06
<b>Total Net Position</b>	<u>\$ 20,063.06</u>			<u>\$ 20,063.06</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2019

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	Private-Purpose Trust Fund
	Unemployment Compensation Trust
ADDITIONS:	
Investment Earnings:	
Interest on Investments	\$ 213.31
Payroll Deductions	16,616.50
Total Additions	16,829.81
DEDUCTIONS:	
Unemployment Compensation Insurance Claims	17,383.26
Total Deductions	17,383.26
Change in Net Position	(553.45)
Net Position -- July 1	20,616.51
Net Position -- June 30	\$ 20,063.06

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2019

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	<u>Balance June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
ELEMENTARY SCHOOLS:				
Waterford Elementary Schools	<u>\$ 6,786.05</u>	<u>\$ 2,114.41</u>	<u>\$ 3,178.17</u>	<u>\$ 5,722.29</u>
Total Student Activity	<u><u>\$ 6,786.05</u></u>	<u><u>\$ 2,114.41</u></u>	<u><u>\$ 3,178.17</u></u>	<u><u>\$ 5,722.29</u></u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 342,514.19	\$ 10,761,704.31	\$ 10,992,172.69	\$ 112,045.81
Total Assets	<u>\$ 342,514.19</u>	<u>\$ 10,761,704.31</u>	<u>\$ 10,992,172.69</u>	<u>\$ 112,045.81</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 115,644.97	\$ 4,690,325.76	\$ 4,700,832.22	\$ 105,138.51
Intrafund Accounts Payable:				
Unemployment Trust Fund	4,846.05	5,714.90	9,692.10	868.85
Interfund Accounts Payable:				
General Fund	221,318.38	158,980.42	374,475.47	5,823.33
Internal Service Fund	704.79	811.72	1,301.39	215.12
Net Payroll	<u>                    </u>	<u>5,905,871.51</u>	<u>5,905,871.51</u>	<u>                    </u>
Total Liabilities	<u>\$ 342,514.19</u>	<u>\$ 10,761,704.31</u>	<u>\$ 10,992,172.69</u>	<u>\$ 112,045.81</u>

**LONG-TERM DEBT**

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Statement of Serial Bonds  
 For the Fiscal Year Ended June 30, 2019

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	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2018</u>	<u>Retired</u>	<u>Balance June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Retirement of Unfunded Incentive Programs	07/29/03	\$ 790,000.00	10/01/19	\$ 30,000.00	4.48%	<u>\$ 70,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 30,000.00</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2019

<u>SERIES</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding July 1, 2018</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2019</u>
				<u>Principal</u>	<u>Interest</u>				
Wireless Network Equipment Lease	6/11/2014	5 years	2.395%	\$ 68,016.20	\$ 3,636.40	\$ 13,995.33		\$ 13,995.33	
Atco Elementary and Thomas Richards Improvements Lease	8/15/2014	5 years	1.560%	2,678,551.00	126,649.65	1,096,358.87		543,936.73	\$ 552,422.14
Go Math Instructional Material Lease	4/15/2017	3 years	4.070%	54,928.12	3,387.29	36,626.07		17,947.79	18,678.28
LED Lighting Project Lease	4/15/2017	4 years	4.170%	85,788.18	7,257.94	64,345.14		20,578.34	43,766.80
						<u>\$ 1,211,325.41</u>	<u>\$ -</u>	<u>\$ 596,458.19</u>	<u>\$ 614,867.22</u>

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 42,240.00		\$ 42,240.00	\$ 42,240.00	
Total Revenues	<u>42,240.00</u>		<u>42,240.00</u>	<u>42,240.00</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	2,240.00		2,240.00	1,979.20	\$ 260.80
Redemption of Principal	<u>40,000.00</u>		<u>40,000.00</u>	<u>40,000.00</u>	
Total Regular Debt Service	<u>42,240.00</u>		<u>42,240.00</u>	<u>41,979.20</u>	<u>260.80</u>
Total Expenditures	<u>42,240.00</u>		<u>42,240.00</u>	<u>41,979.20</u>	<u>260.80</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				260.80	260.80
Fund Balance, July 1	<u>252.22</u>		<u>252.22</u>	<u>252.22</u>	
Fund Balance, June 30	<u>\$ 252.22</u>	<u>\$ -</u>	<u>\$ 252.22</u>	<u>\$ 513.02</u>	<u>\$ 260.80</u>



**STATISTICAL SECTION**

## **Financial Trends Information**

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (accrual basis of accounting)  
 Unaudited

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015*	2014	2013**	2012	2011	2010
Governmental Activities										
Net Investment in Capital Assets	\$ 11,832,718.34	\$ 11,485,977.40	\$ 11,476,098.32	\$ 10,682,290.26	\$ 5,403,749.90	\$ 4,416,255.08	\$ 3,836,226.00	\$ 3,711,887.65	\$ 3,822,874.37	\$ 4,046,853.26
Restricted	1,161,754.77	3,203.11	80,841.21	441,563.88	2,666,278.48	6,451,681.49	3,356,588.00	164,152.74	105,476.75	1,088,757.74
Unrestricted (Deficit)	<u>(2,223,362.38)</u>	<u>(2,267,835.62)</u>	<u>(3,138,255.13)</u>	<u>(2,790,933.54)</u>	<u>(2,605,320.07)</u>	<u>(792,599.04)</u>	<u>(511,240.00)</u>	<u>1,226,497.82</u>	<u>436,862.51</u>	<u>(1,447,360.34)</u>
Total Governmental Activities Net Position	<u>\$ 10,771,110.73</u>	<u>\$ 9,221,344.89</u>	<u>\$ 8,418,684.40</u>	<u>\$ 8,332,920.60</u>	<u>\$ 5,464,708.31</u>	<u>\$ 10,075,337.53</u>	<u>\$ 6,681,574.00</u>	<u>\$ 5,102,538.21</u>	<u>\$ 4,365,213.63</u>	<u>\$ 3,688,250.66</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 55,798.00	\$ 61,397.64	\$ 69,390.16	\$ 51,922.30	\$ 34,900.24	\$ 7,568.76	\$ 5,263.00	\$ 6,961.81	\$ 8,904.15	\$ 12,222.65
Unrestricted	<u>3,976.59</u>	<u>5,834.68</u>	<u>1,831.39</u>	<u>3,576.63</u>	<u>19,875.83</u>	<u>38,222.76</u>	<u>41,701.00</u>	<u>21,079.72</u>	<u>19,557.60</u>	<u>1,340.88</u>
Total Business-type Activities Net Position	<u>\$ 59,774.59</u>	<u>\$ 67,232.32</u>	<u>\$ 71,221.55</u>	<u>\$ 55,498.93</u>	<u>\$ 54,776.07</u>	<u>\$ 45,791.52</u>	<u>\$ 46,964.00</u>	<u>\$ 28,041.53</u>	<u>\$ 28,461.75</u>	<u>\$ 13,563.53</u>
District-wide										
Net Investment in Capital Assets	\$ 11,888,516.34	\$ 11,547,375.04	\$ 11,545,488.48	\$ 10,734,212.56	\$ 5,438,650.14	\$ 4,423,823.84	\$ 3,841,489.00	\$ 3,718,849.46	\$ 3,831,778.52	\$ 4,059,075.91
Restricted	1,161,754.77	3,203.11	80,841.21	441,563.88	2,666,278.48	6,451,681.49	3,356,588.00	164,152.74	105,476.75	1,088,757.74
Unrestricted (Deficit)	<u>(2,219,385.79)</u>	<u>(2,262,000.94)</u>	<u>(3,136,423.74)</u>	<u>(2,787,356.91)</u>	<u>(2,585,444.24)</u>	<u>(754,376.28)</u>	<u>(469,539.00)</u>	<u>1,247,577.54</u>	<u>456,420.11</u>	<u>(1,446,019.46)</u>
Total District-wide Net Position	<u>\$ 10,830,885.32</u>	<u>\$ 9,288,577.21</u>	<u>\$ 8,489,905.95</u>	<u>\$ 8,388,419.53</u>	<u>\$ 5,519,484.38</u>	<u>\$ 10,121,129.05</u>	<u>\$ 6,728,538.00</u>	<u>\$ 5,130,579.74</u>	<u>\$ 4,393,675.38</u>	<u>\$ 3,701,814.19</u>

\*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*

\*\*In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

Source: Comprehensive Annual Financial Report Exhibit A-1

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (accrual basis of accounting)  
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013**</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 5,321,119.60	\$ 4,518,242.89	\$ 5,092,967.69	\$ 4,507,234.93	\$ 4,350,722.94	\$ 4,623,216.76	\$ 3,878,073.00	\$ 4,117,631.70	\$ 4,887,030.76	\$ 6,066,999.93
Special Education	1,779,450.16	1,585,337.03	1,568,897.25	1,349,643.79	1,366,144.97	1,480,696.95	1,274,110.00	1,337,358.04	1,405,173.55	1,488,698.09
Other Special Education	1,208,256.42	1,104,622.78	796,188.04	797,910.90	688,488.91	640,757.60	509,436.00	438,820.57	398,154.12	522,810.57
School Sponsored Cocurricular Activities	5,249.16	2,832.45	1,702.50	650.00	718.75	356.25				
Community Service Programs	255.90		185.25							
Support Services:										
Tuition	10,039,580.87	10,704,959.27	10,980,866.23	10,768,837.70	10,216,623.81	10,419,326.01	10,269,073.00	10,608,581.55	10,937,945.12	11,348,840.93
Student & Instruction Related Services	2,292,137.16	1,968,374.88	2,464,649.05	1,715,943.98	2,090,212.11	2,301,706.03	1,877,692.00	1,813,029.56	2,268,833.97	2,433,952.35
School Administrative Services	1,877,120.76	1,594,794.14	1,700,781.38	1,314,064.55	1,083,664.55	1,082,468.08	1,044,244.00	1,069,393.73	1,080,482.23	1,425,145.17
Plant Operations and Maintenance	3,036,144.31	2,808,224.09	2,453,480.89	1,987,506.02	1,439,863.21	1,579,484.58	1,266,805.00	1,620,204.25	1,254,758.03	1,637,980.61
Pupil Transportation	2,221,974.68	2,137,619.70	2,275,963.64	2,242,024.60	2,091,873.64	2,026,553.56	1,881,707.00	1,800,939.58	1,907,558.79	1,893,839.83
Special Schools	47,551.99	43,474.49	35,416.78	36,539.64	53,454.57	47,951.33	40,446.00	45,386.73	39,566.33	44,420.48
Unallocated Benefits	186,250.92	385,533.46	572,279.43	2,413,867.33	2,126,966.48	1,982,102.18	1,788,518.00	1,795,707.35	371,023.25	366,690.60
Reimbursed TPAF and Social Security	5,591,729.81	6,674,474.59	5,576,755.56	3,878,970.77	3,061,952.02	1,203,772.20	1,302,106.00	1,088,674.86	906,437.64	943,355.49
Transfer to Charter Schools	11,272.00	3,790.00	9,963.00	31,254.00	16,815.00	9,778.00	9,506.00			
Amortization of Debt Issuance Costs							1,073.00	1,317.56	1,317.56	1,317.56
Interest on Long-term Debt	14,167.10	27,066.63	33,083.90	3,182.52	51,506.36	13,953.17	18,208.00	21,218.55	25,489.80	29,411.13
Unallocated Compensated Absences							(10,915.00)			
Unallocated Depreciation							373,396.00			
<b>Total Governmental Activities Expenses</b>	<b>33,632,260.84</b>	<b>33,559,346.40</b>	<b>33,563,180.59</b>	<b>31,047,630.73</b>	<b>28,639,007.32</b>	<b>27,412,122.70</b>	<b>25,523,478.00</b>	<b>25,758,264.03</b>	<b>25,483,771.15</b>	<b>28,203,462.74</b>
Business-type Activities:										
Food Service	298,866.37	331,705.32	330,763.87	336,028.82	339,438.63	335,195.33	315,982.00	372,074.51	348,542.23	460,192.92
School Age Child Care			707.49	241,664.08	213,642.63	262,119.65	233,149.00	225,255.95	217,176.31	189,736.64
Adult Piano		182.30	473.61	592.10	226.09	538.27	582.00	983.84	1,003.95	1,148.96
<b>Total Business-type Activities Expense</b>	<b>298,866.37</b>	<b>331,887.62</b>	<b>331,944.97</b>	<b>578,285.00</b>	<b>553,307.35</b>	<b>597,853.25</b>	<b>549,713.00</b>	<b>598,314.30</b>	<b>566,722.49</b>	<b>651,078.52</b>
<b>Total District Expenses</b>	<b>\$ 33,931,127.21</b>	<b>\$ 33,891,234.02</b>	<b>\$ 33,895,125.56</b>	<b>\$ 31,625,915.73</b>	<b>\$ 29,192,314.67</b>	<b>\$ 28,009,975.95</b>	<b>\$ 26,073,191.00</b>	<b>\$ 26,356,578.33</b>	<b>\$ 26,050,493.64</b>	<b>\$ 28,854,541.26</b>
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 7,890,868.41	\$ 7,206,165.13	\$ 6,100,431.70	\$ 4,449,171.69	\$ 3,600,698.45	\$ 1,893,160.87	\$ 785,014.00	\$ 1,924,745.91	\$ 1,731,927.65	\$ 2,268,578.95
Charges for services	50,409.95	180,128.18	241,038.50							
Capital Grants and Contributions								50,640.00		
<b>Total Governmental Activities Program Revenues</b>	<b>7,941,278.36</b>	<b>7,386,293.31</b>	<b>6,341,470.20</b>	<b>4,449,171.69</b>	<b>3,600,698.45</b>	<b>1,893,160.87</b>	<b>785,014.00</b>	<b>1,975,385.91</b>	<b>1,731,927.65</b>	<b>2,268,578.95</b>
Business-type activities:										
Charges for services										
Food Service	144,620.32	164,436.47	156,138.63	159,620.77	165,905.82	177,117.63	171,091.00	221,526.61	198,197.49	176,868.28
School Age Child Care				241,664.08	190,094.48	183,097.39	235,224.00	225,881.51	234,378.60	172,665.54
Adult Piano	12.49	209.00	517.00	605.00	231.00	550.00	594.00	1,001.00	1,364.00	1,595.00
Operating Grants and Contributions	148,646.41	163,252.92	164,627.71	177,095.11	182,489.55	180,701.89	161,289.00	148,459.70	146,709.59	162,154.21
<b>Total Business-type Activities Program Revenues</b>	<b>293,279.22</b>	<b>327,898.39</b>	<b>321,283.34</b>	<b>578,984.96</b>	<b>538,720.85</b>	<b>541,466.91</b>	<b>568,198.00</b>	<b>596,868.82</b>	<b>580,649.68</b>	<b>513,283.03</b>
<b>Total District Program Revenues</b>	<b>\$ 8,234,557.58</b>	<b>\$ 7,714,191.70</b>	<b>\$ 6,662,753.54</b>	<b>\$ 5,028,156.65</b>	<b>\$ 4,139,419.30</b>	<b>\$ 2,434,627.78</b>	<b>\$ 1,353,212.00</b>	<b>\$ 2,572,254.73</b>	<b>\$ 2,312,577.33</b>	<b>\$ 2,781,861.98</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (25,690,982.48)	\$ (26,173,053.09)	\$ (27,221,710.39)	\$ (26,598,459.04)	\$ (25,038,308.87)	\$ (25,518,961.83)	\$ (24,738,464.00)	\$ (23,782,878.12)	\$ (23,751,843.50)	\$ (25,934,883.79)
Business-type Activities	(5,587.15)	(3,989.23)	(10,661.63)	699.96	(14,586.50)	(56,386.34)	18,485.00	(1,445.48)	13,927.19	(137,795.49)
<b>Total District-wide Net Expense</b>	<b>\$ (25,696,569.63)</b>	<b>\$ (26,177,042.32)</b>	<b>\$ (27,232,372.02)</b>	<b>\$ (26,597,759.08)</b>	<b>\$ (25,052,895.37)</b>	<b>\$ (25,575,348.17)</b>	<b>\$ (24,719,979.00)</b>	<b>\$ (23,784,323.60)</b>	<b>\$ (23,737,916.31)</b>	<b>\$ (26,072,679.28)</b>

(Continued)

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (accrual basis of accounting)  
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013**</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 13,821,175.00	\$ 13,684,332.00	\$ 13,684,332.00	\$ 13,548,844.00	\$ 13,140,486.00	\$ 12,617,133.02	\$ 12,492,211.00	\$ 11,999,730.00	\$ 11,999,729.96	\$ 12,007,004.00
Taxes Levied for Debt Service	42,240.00	38,920.00	38,808.00	88,017.00	88,215.00	84,718.36	82,807.00	80,608.40	83,293.00	65,536.00
Unrestricted Federal & State Aid	12,950,058.37	12,952,798.13	12,989,861.48	12,828,143.52	12,784,890.85	12,692,103.77	13,628,962.00	12,244,496.23	11,459,338.48	11,520,136.27
Restricted Federal & State Aid		17,673.35	443,122.06	2,706,361.91	(2,791,699.42)	3,184,884.00				5,636.65
Tuition Received	21,249.21	80,215.09	85,721.57	104,939.88	148,450.78	250,130.51	30,880.00	105,160.24	140,641.13	132,657.93
Investment Earnings	9,228.78			6,550.08	4,378.00	12,548.22	17,654.00	29,003.53	27,325.67	78,633.18
Miscellaneous Income	394,926.38	201,775.01	92,013.33	183,814.94	113,910.59	134,501.92	64,986.00	75,755.84	57,880.16	88,952.48
Donated Capital Assets										2,866.59
Cancellation of Prior Year Accounts Payable									660,598.07	
Cancellation of Prior Year Accounts Receivable								(14,551.54)		
Transfers	1,870.58		(26,384.25)		(23,548.15)	(55,145.08)				(103,673.57)
<b>Total Governmental Activities</b>	<b>27,240,748.32</b>	<b>26,975,713.58</b>	<b>27,307,474.19</b>	<b>29,466,671.33</b>	<b>23,465,083.65</b>	<b>28,920,874.72</b>	<b>26,317,500.00</b>	<b>24,520,202.70</b>	<b>24,428,806.47</b>	<b>23,797,749.53</b>
Business-type Activities:										
Investment Earnings				22.90	22.90	66.79	437.00	1,025.26	971.83	1,091.52
Transfers	(1,870.58)		26,384.25		23,548.15	55,145.08				103,673.57
<b>Total Business-type Activities</b>	<b>(1,870.58)</b>		<b>26,384.25</b>	<b>22.90</b>	<b>23,571.05</b>	<b>55,211.87</b>	<b>437.00</b>	<b>1,025.26</b>	<b>971.83</b>	<b>104,765.09</b>
<b>Total District-wide</b>	<b>\$ 27,238,877.74</b>	<b>\$ 26,975,713.58</b>	<b>\$ 27,333,858.44</b>	<b>\$ 29,466,694.23</b>	<b>\$ 23,488,654.70</b>	<b>\$ 28,976,086.59</b>	<b>\$ 26,317,937.00</b>	<b>\$ 24,521,227.96</b>	<b>\$ 24,429,778.30</b>	<b>\$ 23,902,514.62</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,549,765.84	\$ 802,660.49	\$ 85,763.80	\$ 2,868,212.29	\$ (1,573,225.22)	\$ 3,401,912.89	\$ 1,579,036.00	\$ 737,324.58	\$ 676,962.97	\$ (2,137,134.26)
Business-type Activities	(7,457.73)	(3,989.23)	15,722.62	722.86	8,984.55	(1,174.47)	18,922.00	(420.22)	14,899.02	(33,030.40)
<b>Total District</b>	<b>\$ 1,542,308.11</b>	<b>\$ 798,671.26</b>	<b>\$ 101,486.42</b>	<b>\$ 2,868,935.15</b>	<b>\$ (1,564,240.67)</b>	<b>\$ 3,400,738.42</b>	<b>\$ 1,597,958.00</b>	<b>\$ 736,904.36</b>	<b>\$ 691,861.99</b>	<b>\$ (2,170,164.66)</b>

\*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

\*\*In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

Source: Comprehensive Annual Financial Report Exhibit A-2

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

	Fiscal Year Ending June 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011(a)	2010
General Fund										
Restricted	\$ 991,094.45	\$ 344,486.09	\$ 77,528.55	\$ 433,344.25	\$ 502,438.87	\$ 2,134,798.86	\$ 3,356,521.00	\$ 1,362,729.21	\$ 114,604.54	\$ 1,088,332.06
Committed								108,278.00	18,311.08	
Assigned	1,650,685.82	1,639,167.12	1,042,914.55	1,400,614.32	1,160,245.55	61,310.18		188,913.82	686,517.74	
Unassigned (Deficit)	74,646.84	(73,152.33)	(146,874.30)	(420,924.63)	(121,009.17)	(102,291.90)	(113,717.00)	565,152.81	632,550.30	
Unreserved (Deficit)										(269,512.98)
<b>Total General Fund</b>	<b>\$ 2,716,427.11</b>	<b>\$ 1,910,500.88</b>	<b>\$ 973,568.80</b>	<b>\$ 1,413,033.94</b>	<b>\$ 1,541,675.25</b>	<b>\$ 2,093,817.14</b>	<b>\$ 3,242,804.00</b>	<b>\$ 2,225,073.84</b>	<b>\$ 1,451,983.66</b>	<b>\$ 3,867,633.97</b>
All Other Governmental Funds										
Restricted Reported in:										
Special Revenue Fund	\$ 170,147.30	\$ 2,950.89	\$ 3,312.52	\$ 6,539.49	\$ 17,698.42	\$ 5,017.24		\$ 4,632.14	\$ 9,090.90	
Capital Projects Fund				1,680.14	2,144,414.05					
Debt Service Fund	513.02	252.22	0.14		1,727.14	48.14		67.59	47.19	
Committed Reported in:										
Capital Projects Fund						4,350,886.25				
Unassigned (Deficit) Reported in:										
Capital Projects Fund						(39,069.00)				
Unreserved, Reported in:										
Special Revenue Fund										\$ 376.85
Debt Service Fund							\$ 67.00			48.83
<b>Total All Other Governmental Funds</b>	<b>\$ 170,660.32</b>	<b>\$ 3,203.11</b>	<b>\$ 3,312.66</b>	<b>\$ 8,219.63</b>	<b>\$ 2,163,839.61</b>	<b>\$ 4,316,882.63</b>	<b>\$ 67.00</b>	<b>\$ 4,699.73</b>	<b>\$ 9,138.09</b>	<b>\$ 425.68</b>

(a) Beginning for the fiscal year ended June 30, 2011, the School District began reporting fund balances under GASB 54.

Source: District Records

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Local Sources	\$ 13,863,415.00	\$ 13,723,252.00	\$ 13,723,140.00	\$ 13,636,861.00	\$ 13,228,701.00	\$ 12,701,851.38	\$ 12,575,018.00	\$ 12,080,338.40	\$ 12,083,022.96	\$ 12,072,540.00
Tuition Charges	21,249.21	80,215.09	85,721.57	104,939.88	148,450.78	250,130.51	30,880.00	105,160.24	140,641.13	132,657.93
Miscellaneous	443,676.02	228,802.46	119,789.20	219,882.39	139,993.20	164,598.50	122,178.00	151,409.61	124,624.90	184,435.71
State Sources	17,120,120.56	15,046,679.56	15,197,954.66	17,087,190.68	14,365,635.60	17,054,737.20	13,718,802.00	13,025,023.47	12,498,803.79	10,780,732.55
Federal Sources	510,592.36	537,989.60	533,588.23	595,719.07	623,077.67	697,863.08	660,447.00	1,148,208.43	653,043.27	2,996,769.27
<b>Total Revenue</b>	<b>31,959,053.15</b>	<b>29,616,938.71</b>	<b>29,660,193.66</b>	<b>31,644,593.02</b>	<b>28,505,858.25</b>	<b>30,869,180.67</b>	<b>27,107,325.00</b>	<b>26,510,140.15</b>	<b>25,500,136.05</b>	<b>26,167,135.46</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,297,509.40	4,551,714.31	5,092,620.86	4,296,274.31	4,158,807.69	4,401,514.78	3,878,073.00	3,895,721.70	4,662,875.29	5,884,616.00
Special Education Instruction	1,779,450.16	1,585,337.03	1,568,897.25	1,349,643.79	1,366,144.97	1,480,696.95	1,274,110.00	1,337,358.04	1,405,173.55	1,488,698.09
Other Special Instruction	1,208,256.42	1,104,622.78	796,188.04	797,910.90	688,488.91	640,757.60	509,436.00	438,820.57	398,154.12	522,810.57
School Sponsored Cocurricular Activities	5,249.16	2,832.45	1,702.50	650.00	718.75	356.25				
Community Service Programs	255.90		185.25							
<b>Support Services:</b>										
Tuition	9,989,170.92	10,524,831.09	10,798,005.33	10,768,837.70	10,216,623.81	10,419,326.01	10,269,073.00	10,608,581.55	10,937,945.12	11,348,840.93
Student & Instruction Related Services	2,901,126.54	2,548,577.62	2,949,132.78	2,199,893.82	2,127,113.34	2,266,757.38	1,877,692.00	1,807,173.14	2,297,201.52	2,493,277.67
School Administrative Services	1,948,736.59	1,540,720.30	1,738,071.47	1,297,993.10	1,133,424.93	1,067,661.02	1,071,559.00	1,056,813.95	1,214,672.12	1,417,943.81
Plant Operations and Maintenance	2,408,928.67	2,151,242.52	2,011,748.03	1,826,182.65	1,335,270.87	1,260,001.65	1,266,805.00	1,610,955.99	1,253,627.90	1,639,702.90
Pupil Transportation	2,221,974.68	2,137,619.70	2,275,963.64	2,242,024.60	2,091,873.64	2,026,553.56	1,881,707.00	1,812,554.34	1,918,678.70	1,904,485.98
Unallocated Employee Benefits	264,996.49	264,783.77	197,727.73	2,252,384.42	2,119,057.48	1,978,426.06	1,788,518.00	1,795,707.35	371,023.25	366,690.60
Reimbursed TPAF Pension/Social Security	2,421,036.81	2,109,534.59	1,806,801.56	1,607,720.77	1,293,596.02	1,203,772.20	1,302,106.00	1,090,020.51	920,536.35	953,036.03
Special Schools	47,551.99	43,474.49	35,416.78	36,539.64	53,454.57	47,951.33	40,446.00	45,386.73	39,566.33	44,420.48
Transfer to Charter Schools	11,272.00	3,790.00	9,963.00	31,254.00	16,815.00	9,778.00	9,506.00			
Capital Outlay	440,045.36	158,155.79	828,384.14	5,133,480.61	3,993,236.03	2,226,825.05	837,757.00	147,254.92	16,108.24	19,209.12
<b>Debt Service:</b>										
Principal - Early Retirement Bonds	40,000.00	35,000.00	35,000.00	80,000.00	75,000.00	70,000.00	65,000.00	60,000.00	60,000.00	40,000.00
Interest on Early Retirement Bonds	1,979.20	3,667.92	5,488.00	8,064.00	11,536.00	14,737.13	17,808.00	20,588.00	23,294.64	25,489.84
<b>Total Expenditures</b>	<b>30,987,540.29</b>	<b>28,765,904.36</b>	<b>30,151,296.36</b>	<b>33,928,854.31</b>	<b>30,681,162.01</b>	<b>29,115,114.97</b>	<b>26,089,596.00</b>	<b>25,726,936.79</b>	<b>25,518,857.13</b>	<b>28,149,222.02</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	971,512.86	851,034.35	(491,102.70)	(2,284,261.29)	(2,175,303.76)	1,754,065.70	1,017,729.00	783,203.36	(18,721.08)	(1,982,086.56)
<b>Other Financing Sources (Uses)</b>										
Cancellation of Prior Year Revenue					(3,184,884.00)		(4,632.00)			
FEMA Disaster Grant			4,142.48							
Capital Leases (Non-budgeted)		85,788.18	54,928.12		2,678,551.00	68,016.20				
Operating Transfers In	528,227.36					(55,145.08)		150,000.00	660,598.08	-517,128.00
Transfers from Capital Outlay to Capital Projects Fund						1,400,892.00				
Operating Transfers Out	(526,356.78)		(12,340.01)		(23,548.15)			(164,551.54)		(103,673.57)
<b>Total Other Financing Sources (Uses)</b>	<b>1,870.58</b>	<b>85,788.18</b>	<b>46,730.59</b>		<b>(529,881.15)</b>	<b>1,413,763.12</b>	<b>(4,632.00)</b>	<b>(14,551.54)</b>	<b>660,598.08</b>	<b>(620,801.57)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 973,383.44</b>	<b>\$ 936,822.53</b>	<b>\$ (444,372.11)</b>	<b>\$ (2,284,261.29)</b>	<b>\$ (2,705,184.91)</b>	<b>\$ 3,167,828.82</b>	<b>\$ 1,013,097.00</b>	<b>\$ 768,651.82</b>	<b>\$ 641,877.00</b>	<b>\$ (2,602,888.13)</b>
Debt Service as a Percentage of Noncapital Expenditures	0.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%

Source: District Records

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (modified accrual basis of accounting)  
 Unaudited

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Interest on Investments	\$ 69,837.86	\$ 23,382.15	\$ 5,244.44	\$ 6,549.99	\$ 4,270.45	\$ 11,637.73	\$ 18,097.00	\$ 28,896.18	\$ 27,232.72	\$ 78,633.18
Interest on Investments - Capital Reserve Account	9,228.78			0.09	107.55	910.49	617.00	107.35	92.95	73.50
Refund of Prior Year Expenditures	20,038.98	57,191.61	13,495.11	83,556.54	28,219.39	63,197.33	25,618.00	58,296.88	43,377.93	50,671.65
E-Rate Reimbursement	25,149.60	71,190.31	27,781.92	15,822.00	1,908.28	2,721.34				
Insurance Reimbursements	3,500.00				15,728.51			695.04		
Donations from Private Sources					3,736.35					
Cancellation of Prior Year Accounts Payable										36,535.00
Premium Proceeds on Grant Anticipation Note					2,179.00					
Miscellaneous Fines		1,321.39	63.22					1,114.60	1,190.36	2,126.87
Sale of Assets	30,300.00	2,992.50	693.01	3,754.52		174.93	3,101.00	559.00		
Use of Facilities	125.00			187.50	125.00	250.00	271.00	450.00	900.00	1,980.49
Miscellaneous Services Provided to Others		2,800.00	700.00		4,020.75	1,228.95	23,677.00	3,800.10		
Transportation Fees	10,276.37	35,173.68	47,262.60	91,653.31	45,312.13	61,912.13	16,070.00	15,298.98	3,697.82	
New Jersey Clean Energy Rebate		8,085.00								
Revenue from Preschool Education Grant- Indirect Costs Reimbursement	<u>235,698.57</u>									
	<u>\$ 404,155.16</u>	<u>\$ 202,136.64</u>	<u>\$ 95,240.30</u>	<u>\$ 201,523.95</u>	<u>\$ 105,607.41</u>	<u>\$ 142,032.90</u>	<u>\$ 87,451.00</u>	<u>\$ 109,218.13</u>	<u>\$ 76,491.78</u>	<u>\$ 170,020.69</u>

Source: District Records.



## **Revenue Capacity Information**

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

**WATERFORD 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./Qual.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2019	\$ 15,045,300.00	\$ 627,396,300.00	\$ 13,827,800.00	\$ 46,054,600.00	\$ 1,549,700.00	\$ 3,601,400.00	\$ 707,475,100.00	\$ 200.00	\$ 707,475,300.00	\$ 118,323,800.00	\$ 771,126,609.00	\$ 1.960
2018	14,843,100.00	626,041,400.00	13,602,000.00	46,720,900.00	1,345,900.00	3,601,400.00	706,154,700.00	200.00	706,154,900.00	115,837,000.00	763,031,236.00	1.943
2017	15,636,000.00	623,757,700.00	12,979,400.00	47,670,900.00	1,345,900.00	3,601,400.00	704,991,300.00	200.00	704,991,500.00	115,773,900.00	748,790,703.00	1.947
2016	15,380,400.00	619,688,900.00	17,079,100.00	48,594,700.00	1,739,900.00	2,443,800.00	704,926,800.00	200.00	704,927,000.00	114,783,400.00	752,071,484.00	1.935
2015 (3)	15,463,300.00	617,512,800.00	22,273,800.00	49,139,200.00	1,739,900.00	2,143,800.00	708,272,800.00	1,684,995.00	709,957,795.00	113,103,400.00	738,781,327.00	1.863
2014	10,532,600.00	415,318,600.00	14,685,700.00	29,326,400.00	1,146,000.00	2,394,900.00	473,404,200.00	1,003,315.00	474,407,515.00	54,566,900.00	771,675,143.00	2.677
2013	11,399,800.00	411,292,100.00	14,586,300.00	30,623,600.00	1,200,000.00	2,394,900.00	471,496,700.00	1,226,075.00	472,722,775.00	53,969,200.00	815,415,847.00	2.660
2012	12,435,200.00	408,983,600.00	13,816,700.00	30,640,300.00	1,225,400.00	2,394,900.00	469,496,100.00	1,111,951.00	470,608,051.00	53,801,500.00	871,284,321.00	2.567
2011	10,740,700.00	408,702,000.00	13,738,400.00	33,880,600.00	1,225,400.00	2,394,900.00	470,682,000.00	1,128,609.00	471,810,609.00	53,869,900.00	902,203,592.00	2.561
2010	10,898,100.00	408,789,200.00	13,954,500.00	35,117,000.00	1,225,400.00	2,394,900.00	472,379,100.00	1,398,154.00	473,777,254.00	53,299,900.00	934,631,793.00	2.561

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation

Source: Municipal Tax Assessor

**WATERFORD TOWNSHIP SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Waterford	County of Camden	
2019	\$ 1.954	\$ 0.006	\$ 1.960	\$ 1.137	\$ 0.868	\$ 3.964
2018	1.938	0.006	1.943	1.127	0.909	3.980
2017	1.941	0.006	1.947	1.100	0.892	3.939
2016	1.922	0.012	1.935	1.051	0.883	3.869
2015 (3)	1.851	0.012	1.863	0.997	0.861	3.721
2014	2.660	0.018	2.677	1.379	1.355	5.411
2013	2.643	0.018	2.660	1.356	1.353	5.369
2012	2.550	0.017	2.567	1.332	1.341	5.240
2011	2.543	0.018	2.561	1.292	1.282	5.135
2010	2.534	0.014	2.548	1.355	1.205	5.108

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(2) Rates for debt service are based on each year's requirements.

(3) Revaluation

**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 district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as the prebudget year net budget increased by the cost of living or 2,5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Ten Years Ago  
Unaudited

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Pliner Leon Inc	\$ 2,625,300.00	1	0.37%	\$ 1,274,400.00	5	0.27%
Atco Equities LLC (Rite Aid Corp)	2,090,500.00	2	0.30%	913,500.00	10	0.19%
Broadway Square Reality	2,000,000.00	3	0.28%	3,000,000.00	2	0.63%
Atco Raceway Inc.	1,869,300.00	4	0.26%	926,700.00	9	0.20%
White Horse Pike LLC	1,453,500.00	5	0.21%	N/A		N/A
Meisenzahl Partners, LLC	1,447,800.00	6	0.20%	1,174,500.00	6	0.25%
Capview Income & Value Fund IV, LP	1,355,500.00	7	0.19%	N/A		N/A
UFP Eastern Div % UFP Berlin, LLC	1,304,200.00	8	0.18%	N/A		N/A
Joseph Maressa	1,285,800.00	9	0.18%			
K&K Associates	1,222,200.00	10	0.17%	N/A		N/A
National Amusement			N/A	4,000,000.00	1	0.84%
Westrum Waterford LLC			N/A	1,517,900.00	4	0.32%
NJ Bell Telephone Co.			N/A	1,529,884.00	3	0.32%
Mobile Field Office			N/A	976,500.00	7	0.21%
O'Hara James H C/O Shannon's			N/A	963,200.00	8	0.20%
Total	<u>\$ 16,654,100.00</u>		<u>2.35%</u>	<u>\$ 16,276,584.00</u>		<u>3.44%</u>

Source: Municipal Tax Assessor

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
 Unaudited

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<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2019	\$ 13,863,415.00	\$ 13,863,415.00	100.00%	-
2018	13,723,252.00	13,723,252.00	100.00%	-
2017	13,723,140.00	13,723,140.00	100.00%	-
2016	13,636,861.00	13,636,861.00	100.00%	-
2015	13,228,701.00	13,228,701.00	100.00%	-
2014	12,873,105.85	12,873,105.85	100.00%	-
2013	12,701,851.38	12,701,851.38	100.00%	-
2012	12,575,018.00	12,575,018.00	100.00%	-
2011	12,080,338.40	12,080,338.40	100.00%	-
2010	12,083,022.96	12,083,022.96	100.00%	-

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

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

## **Debt Capacity Information**

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

**WATERFORD 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 (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases	Grant Anticipation Notes	Capital Leases			
2019	\$ 30,000.00	\$ 614,867.22	\$ 1,250,000.00		\$ 1,894,867.22	Unavailable	Unavailable
2018	70,000.00	121,325.41	1,250,000.00		1,441,325.41	Unavailable	Unavailable
2017	105,000.00	1,714,531.96	1,250,000.00		3,069,531.96	0.549%	\$ 284.90
2016	140,000.00	2,200,308.05	2,750,000.00		5,090,308.05	0.958%	473.34
2015	220,000.00	2,732,598.68	1,500,000.00		4,452,598.68	0.861%	414.08
2014	295,000.00	68,016.20			363,016.20	0.072%	33.83
2013	365,000.00				365,000.00	0.075%	34.01
2012	430,000.00	27,314.99			457,314.99	0.095%	42.86
2011	490,000.00	65,188.54			555,188.54	0.118%	52.12
2010	550,000.00	101,551.87			651,551.87	0.145%	61.20

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

Sources:

- (1) District Records. Includes Early Retirement Incentive Plan (ERIP) refunding
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by municipality-estimated based upon 2010 census published

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

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
 Unaudited

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<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2019	\$ 30,000.00		\$ 30,000.00	0.00%	Unavailable
2018	70,000.00		70,000.00	0.01%	\$ 6.54
2017	105,000.00		105,000.00	0.01%	9.75
2016	140,000.00		140,000.00	0.02%	13.02
2015	220,000.00		220,000.00	0.03%	20.46
2014	295,000.00		295,000.00	0.06%	27.49
2013	365,000.00		365,000.00	0.08%	34.01
2012	430,000.00		430,000.00	0.09%	40.30
2011	490,000.00		490,000.00	0.10%	46.00
2010	550,000.00		550,000.00	0.12%	51.66

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

- (1) See Exhibit No. J-6 for property tax data.
- (2) Population data can be found in Exhibit No. J-14.

Source: District Records.



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

Township of Waterford:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Waterford Township</u>
Municipal Debt: (1)				
Waterford Township School District	\$ 1,280,000.00	\$ 1,280,000.00		
Waterford Township Water and Sewer Utility	5,152,608.84	5,152,608.84		
Waterford Township	<u>11,431,198.12</u>	<u>12,697.50</u>	<u>\$ 11,418,500.62</u>	<u>\$ 11,418,500.62</u>
	<u>17,863,806.96</u>	<u>6,445,306.34</u>	<u>11,418,500.62</u>	<u>11,418,500.62</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	65,747,825.00	4,597,984.00 (3)	61,149,841.00	1,220,211.35 (5)
Notes	35,461,125.00		35,461,125.00	
Loan Agreement	308,746,532.00		308,746,532.00	6,160,866.77 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>265,004,205.00</u>	<u>265,004,205.00 (4)</u>		
	<u>674,959,687.00</u>	<u>269,602,189.00</u>	<u>405,357,498.00</u>	<u>7,381,078.13</u>
	<u>\$ 692,823,493.96</u>	<u>\$ 276,047,495.34</u>	<u>\$ 416,775,998.62</u>	<u>\$ 18,799,578.75</u>

Sources:

- (1) 2018 Annual Debt Statement
- (2) County's 2018 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2018 Equalized Value, which is 2.00%.

The source for this computation was the 2018 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized valuation basis	
	2018	\$ 768,729,262.00
	2017	761,000,972.00
	2016	<u>747,932,944.00</u>
	<b>[A]</b>	<b>\$ <u>2,277,663,178.00</u></b>
	Average equalized valuation of taxable property	<b>[A/3]</b> \$ 759,221,059.33
	Debt limit ( 2.5% of average equalization value)	<b>[B]</b> \$ 18,980,526.48
	Total Net Debt Applicable to Limit	<b>[C]</b> <u>1,320,000.00</u>
	Legal Debt Margin	<b>[B-C]</b> <u>\$ 17,660,526.48</u>

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	\$ 18,980,526.48	\$ 18,864,839.73	\$ 18,882,022.15	\$ 19,038,091.79	\$ 19,495,661.87	\$ 20,397,726.56	\$ 25,842,764.00	\$ 22,110,649.08	\$ 23,024,390.98	\$ 22,788,134.74
Total net debt applicable to limit	<u>1,320,000.00</u>	<u>1,320,000.00</u>	<u>1,605,000.00</u>	<u>2,890,000.00</u>	<u>1,720,000.00</u>	<u>295,000.00</u>	<u>365,000.00</u>	<u>430,000.00</u>	<u>490,000.00</u>	<u>550,000.00</u>
Legal debt margin	<u>\$ 17,660,526.48</u>	<u>\$ 17,544,839.73</u>	<u>\$ 17,277,022.15</u>	<u>\$ 16,148,091.79</u>	<u>\$ 21,680,649.08</u>	<u>\$ 22,534,390.98</u>	<u>\$ 18,939,642.68</u>	<u>\$ 16,603,862.83</u>	<u>\$ 14,415,393.34</u>	<u>\$ 12,747,382.99</u>
Total net debt applicable to the limit as a percentage of debt limit	6.95%	7.00%	8.50%	15.18%	8.82%	1.45%	1.41%	1.94%	2.13%	2.41%

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

## **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
 Unaudited

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2019	Unavailable	Unavailable	Unavailable	Unavailable
2018	10,707	Unavailable	Unavailable	4.7%
2017	10,774	\$ 558,933,572.00	\$ 51,878.00	5.4%
2016	10,754	531,161,568.00	49,392.00	5.8%
2015	10,753	517,047,252.00	48,084.00	6.9%
2014	10,732	503,180,552.00	46,886.00	8.7%
2013	10,731	488,732,664.00	45,544.00	9.0%
2012	10,671	480,867,273.00	45,063.00	10.1%
2011	10,653	471,171,537.00	44,229.00	10.0%
2010	10,646	449,580,580.00	42,230.00	10.2%

**Source:**

- (1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1)
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
Principal Employers  
Current Year and Ten Years Ago  
Unaudited

	<u>2019 (1)</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
<b>Employer (1)</b>						
Archway Programs (and Subsidiaries)				500	1	7.92%
B&B Drywall				200	2	3.17%
Gateway Communities Inc.				200	3	3.17%
Krisanna Construction Inc.				100	4	1.58%
Jersey Construction				80	5	1.27%
Atco Foods Inc.				50	6	0.79%
Piney Hollow Properties LLC				50	7	0.79%
Morgan's Bus Service Inc				31	8	0.49%
Liberty Plastics Inc				30	9	0.48%
WB Adams Trucking Inc				30	10	0.48%
	<u>-</u>		<u>0.00%</u>	<u>1,271</u>		<u>20.14%</u>

(1) - Information was not available.

## **Operating Information**

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction										
Regular	55.9	61.8	60.0	60.5	52.6	61.0	58.5	54.3	56.4	108.8
Special education	37.1	42.7	38.0	33.4	56.5	27.0	35.1	35.1	36.5	
Support Services:										
Student & instruction related services	33.3	31.5	35.1	46.9	27.7	33.0	28.0	27.2	26.9	31.5
General administrative services	1.0	1.0	2.0	2.0	2.0	2.0	2.0	1.6	2.0	2.0
School administrative services	6.1	6.5	6.5	5.3	5.3	5.3	5.3	7.5	8.5	6.2
Business administrative services	5.0	5.0	5.0	5.0	5.0	5.0	4.5	4.0	4.0	5.0
Plant operations and maintenance	13.9	6.0	6.0	6.0	6.0	6.0	6.0	6.3	8.3	20.9
Pupil transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.2
Other								2.9	2.6	10.9
Child Care				10.0	10.0					
Total	<u>154.3</u>	<u>156.6</u>	<u>154.6</u>	<u>171.1</u>	<u>167.1</u>	<u>141.3</u>	<u>141.4</u>	<u>140.9</u>	<u>147.2</u>	<u>187.5</u>

**Source:** District Personnel Records

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
 Unaudited

<u>Fiscal</u>	<u>Elementary Enrollment</u>	<u>Secondary Enrollment (1)</u>	<u>Operating Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (3)</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) (4)</u>	<u>Average Daily Attendance (ADA) (4)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2019	814	679	\$30,505,515.73	\$20,432.36	7.81%	73.4	11.09	915.8	867.6	14.03%	94.74%
2018	844	686	28,569,080.65	18,672.60	4.98%	78.0	10.82	806.2	760.8	-3.05%	94.36%
2017	811	734	29,282,424.22	18,953.03	15.99%	73.0	11.11	803.1	759.4	-8.53%	94.56%
2016	834	780	28,707,309.70	17,786.44	8.85%	76.8	10.86	831.6	792.9	-5.29%	95.35%
2015	854	774	26,601,389.98	16,339.92	4.06%	74.0	11.54	878.0	836.0	0.99%	95.22%
2014	898	809	26,803,552.79	15,702.14	7.10%	83.0	10.82	869.4	830.7	-4.56%	95.55%
2013	914	802	25,159,525.00	14,661.73	2.36%	76.0	12.03	910.9	868.4	4.77%	95.33%
2012	878	844	24,664,368.47	14,323.09	-2.63%	74.0	11.01	869.4	830.7	-5.67%	95.55%
2011	889	839	25,419,454.25	14,710.33	-8.52%	66.0	13.47	921.7	870.1	0.09%	94.40%
2010	909	849	28,064,523.06	15,963.89	8.67%	76.0	11.96	920.9	869.4	-1.80%	94.41%

**Sources:** District records and ASSA

**Note:** Enrollment based on annual October district count.

- (1) Secondary students are sent on a tuition basis.
- (2) Operating expenditures equal total expenditures less debt service and capital outlay
- (3) Teaching staff includes only full-time equivalents of certificated staff.
- (4) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). and includes elementary students only, secondary students are sent on a tuition basis.



**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Atco (1965)										
Square Feet	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	24,494	24,494
Capacity (students)	185	150	150	150	150	150	150	150	176	176
Enrollment	204	208	204	220	204	179	179	163 *	217	256
Thomas Richards (1979)										
Square Feet	30,033	30,033	30,033	30,033	30,033	30,033	30,033	30,033	32,723	32,723
Capacity (students)	221	193	193	193	193	193	193	193	262	262
Enrollment	234	269	231	231	255	213	213	252	259	234
Waterford (1985)										
Square Feet	71,418	71,418	71,418	71,418	71,418	71,418	71,418	71,418	78,000	78,000
Capacity (students)	423	444	444	444	444	444	444	445	450	450
Enrollment	439	330	19	328	364	452	452	401	413	442
<b><u>Other</u></b>										
Office Building (1985)										
Square Feet	6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	2,132	2,132

\* Kindergarten students were counted as .5 because they are half day

Number of Schools at June 30, 2019  
 Elementary = 3

**Sources:** ASSA, Square Footage from most recent Long Range Facilities Plan  
 Capacity = FES from most recent Long Range Facilities Plan

**WATERFORD TOWNSHIP SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal 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	2010
Waterford Elementary	N/A	\$ 189,726.04	\$ 101,824.66	\$ 98,693.54	\$ 104,067.90	\$ 101,881.65	\$ 98,120.72	\$ 161,024.00	\$ 191,163.63	\$ 90,480.13	\$ 76,213.18
Thomas Richards Elementary	N/A	136,816.91	191,316.32	37,942.10	31,152.25	47,500.18	63,857.38	51,281.00	60,879.20	34,039.60	28,715.83
Atco Elementary	N/A	107,917.79	70,060.17	129,260.96	25,808.02	34,113.06	33,908.16	36,647.00	43,506.48	32,005.14	39,122.79
Total School Facilities		<u>434,460.74</u>	<u>363,201.15</u>	<u>265,896.60</u>	<u>161,028.17</u>	<u>183,494.89</u>	<u>195,886.26</u>	<u>248,952.00</u>	<u>295,549.31</u>	<u>156,524.87</u>	<u>144,051.80</u>
Other Facilities	N/A	80,233.60	2,480.92	1,939.00	10,375.32	4,979.59	2,131.54	4,960.00	5,887.75	2,850.52	25,898.05
Grand Total		<u>\$ 514,694.34</u>	<u>\$ 365,682.07</u>	<u>\$ 267,835.60</u>	<u>\$ 171,403.49</u>	<u>\$ 188,474.48</u>	<u>\$ 198,017.80</u>	<u>\$ 253,912.00</u>	<u>\$ 301,437.06</u>	<u>\$ 130,329.95</u>	<u>\$ 169,949.85</u>

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

Source: District Records

**WATERFORD TOWNSHIP SCHOOL DISTRICT**

Insurance Schedule

June 30, 2019

*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
Property (1):		
Real and Personal	\$ 500,000,000.00	\$ 5,000.00
Extra Expense	50,000,000.00	5,000.00
Valuable Papers and Records	10,000,000.00	5,000.00
Demolition and Increased Costs of Construction	25,000,000.00	
Loss of Business Income/Tuition	1,000,000.00	
Limited Builders Risk	10,000,000.00	
Fire Department Service Charge	10,000.00	
Arson Reward	10,000.00	
Pollutant Cleanup and Removal	250,000.00	
Sublimits :		
Special Flood Hazard Area Flood Zones	25,000,000.00	500,000.00
Accounts Receivable	250,000.00	
All Flood Zones	75,000,000.00	10,000.00
Earthquake	50,000,000.00	
Terrorism	1,000,000.00	
Electronic Data Processing (1):		
Hardware/Software	800,000.00	1,000.00
Computer Virus	250,000.00	
Terrorism	Included in Property	
Equipment Breakdown (1):		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000.00	5,000.00
SubLimits:		
Property Damage	Included	
Off Premises Property Damage	100,000.00	
Business Income	Included	
Extra Expense	10,000,000.00	
Service Interruption	10,000,000.00	
Perishable Goods	500,000.00	
Data Restoration	100,000.00	
Contingent Business Income	100,000.00	
Demolition	1,000,000.00	
Ordinance or Law	1,000,000.00	
Expediting Expenses	500,000.00	
Hazardous Substances	500,000.00	
Newly Acquired Locations (120 day notice)	250,000.00	
Terrorism	Included	

(Continued)

**WATERFORD TOWNSHIP SCHOOL DISTRICT**

Insurance Schedule

June 30, 2019

*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
Crime (1):		
Public Employee Dishonesty with Faithful Performance	\$ 250,000.00	\$ 1,000.00
Theft, Disappearance and Destruction - Loss of Money & Securities on or Off Premises	25,000.00	500.00
Theft, Disappearance and Destruction - Money Orders & Conterfeit Paper Currency	25,000.00	500.00
Forgery or Alteration	25,000.00	500.00
Computer Fraud	25,000.00	500.00
Comprehensive General Liability (1):		
Bodily Injury and Property Damage	16,000,000.00	
Products and Completed Operations	16,000,000.00	
Sexual Abuse		
per occurrence	16,000,000.00	
annual NJSIG aggregate	17,000,000.00	
Personal Injury and Advertising Injury	16,000,000.00	
Employee Benefits Liability	16,000,000.00	1,000.00
Premises Medical Payments		
per accident	10,000.00	
limit per person	5,000.00	
Terrorism	1,000,000.00	
Automobile (1):		
Liability:		
Bodily Injury and Property Damage	16,000,000.00	
Uninsured/Underinsured Motorists - Private Passenger Auto	1,000,000.00	
Uninsured/Underinsured Motorists - All Other Vehicles		
Bodily Injury Per Person	15,000.00	
Bodily Injury Per Accident	30,000.00	
Property Damage Per Accident	5,000.00	
Personal Injury Protection (including pedestrians)	250,000.00	
Medical Payments:		
private passenger vehicles	10,000.00	
all other vehicles	5,000.00	
Terrorism	1,000,000.00	
Physical Damage (Scheduled vehicles only):		
Comprehensive		1,000.00
Collision		1,000.00
Hire Car Physical Damage (\$110,000.00 limit)		1,000.00
Replacement Costs	Not Covered	
Garage Keepers	Included	
Workers Compensation (1):		
Bodily Injury by Accident	2,000,000.00	
Bodily Injury by Disease (each employee)	2,000,000.00	
Bodily Injury by Disease (aggregate limit)	2,000,000.00	

(Continued)

**WATERFORD TOWNSHIP SCHOOL DISTRICT**

Insurance Schedule

June 30, 2019

*Unaudited*

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	<u>Coverage</u>	<u>Deductible</u>
School Leaders Errors & Omissions Liability (1):		
Coverage A	\$ 15,000,000.00	\$ 10,000.00
Coverage B:		
Each Claim	100,000.00	10,000.00
Each Policy Period	300,000.00	
Student Accident Coverage/ Per Accident (2):		
Class I	1,000,000.00	
Class II	25,000.00	
Surety Bond Coverage - Board Secretary (3)	250,000.00	

(1) - New Jersey Schools Insurance Group (NJSIG)

(2) - Zurich Insurance Company

(3) - Western Surety

**SINGLE AUDIT SECTION**

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Waterford School District  
Waterford, New Jersey 08089

**Report on Compliance for Each Major State Program**

We have audited the Township of Waterford School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2019. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Township of Waterford School District's, in the County of Camden, State of New Jersey, compliance.

***Opinion on Each Major State Program***

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

### Report on Internal Control over Compliance

Management of the Township of Waterford School District, in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Waterford School District's internal control over compliance.

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

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Public School Accountant No. CS 02459

Voorhees, New Jersey  
December 18, 2019



**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From To	
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through State Department of Education:						
Medical Assistance Program (Medicaid)	93.778	1905NJ5MAP	N/A	\$ 52,341.72	7-1-18	6-30-19
Total Medicaid Assistance Program (SEMI) Cluster						
Total General Fund						
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
E.S.E./E.S.S.A.:						
Title I Grants to Local Educational Agencies						
Title I Grants to Local Educational Agencies	84.010	S010A170030	NCLB556018	241,196.00	7-1-17	6-30-18
Title I, Part A	84.010	S010A180030	NCLB556019	232,992.00	7-1-18	6-30-19
Total Title I Grants to Local Educational Agencies						
Supporting Effective Instruction State Grants (Title II)	84.367	S367A170029	NCLB026018	40,842.00	7-1-17	6-30-18
Supporting Effective Instruction State Grants (Title II)	84.367	S367A180029	NCLB026019	33,962.00	7-1-18	6-30-19
Total Supporting Effective Instruction State Grants (Title II)						
Student Support & Academic Enrichment Grant (Title IV)	84.424	S424A180031	NCLB026019	13,992.00	7-1-18	6-30-19
Total Student Support & Academic Enrichment Grants (Title IV)						
Special Education Cluster (IDEA)						
Special Education Grants to States (IDEA Basic)	84.027	H027A170030	FT-5560-18	207,657.00	7-1-17	6-30-18
Special Education Grants to States (IDEA Basic)	84.027	H027A180030	FT-5560-19	206,743.00	7-1-18	6-30-19
Special Education Preschool Grants (IDEA Preschool)	84.173	H173A180030	PS-5560-19	15,945.00	7-1-18	6-30-19
Total Special Education Cluster (IDEA)						
Total Special Revenue Fund						
Enterprise Fund:						
U.S. Department of Agriculture						
Passed-through State Department of Agriculture						
Child Nutrition Cluster:						
School Breakfast Program	10.553	181NJ304N1099	N/A	30,361.65	7-1-17	6-30-18
School Breakfast Program	10.553	191NJ304N1099	N/A	31,661.31	7-1-18	6-30-19
National School Lunch Program - Commodities (Noncash)	10.555	191NJ304N1099	N/A	19,428.87	7-1-17	6-30-18
National School Lunch Program	10.555	181NJ304N1099	N/A	106,351.07	7-1-17	6-30-18
National School Lunch Program	10.555	191NJ304N1099	N/A	94,675.81	7-1-18	6-30-19
Total Child Nutrition Cluster and Total Enterprise Fund						
Total Federal Financial Assistance						

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

These funds were not audited in accordance with the Uniform Guidance since the total of all grant award expenditures were less than \$750,000.00

Balance June 30, 2018	Carryover/ Walkover Amount	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2019		
		Cash Received	Pass-Through Funds	Direct Funds				Total Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue
		\$ 52,341.72	\$ (52,341.72)		\$ (52,341.72)					
		52,341.72	(52,341.72)		(52,341.72)					
		52,341.72	(52,341.72)		(52,341.72)					
\$ (80,540.83)		80,540.83								
		146,630.17	(239,729.00)		(239,729.00)			\$ (93,098.83)		
(80,540.83)		227,171.00	(239,729.00)		(239,729.00)			(93,098.83)		
(5,037.77)		5,037.77								
		27,584.23	(34,583.00)		(34,583.00)			(6,998.77)		
(5,037.77)		32,622.00	(34,583.00)		(34,583.00)			(6,998.77)		
			(13,992.00)		(13,992.00)			(13,992.00)		
			(13,992.00)		(13,992.00)			(13,992.00)		
(3,424.00)		3,424.00								
		205,923.00	(206,743.00)		(206,743.00)			(820.00)		
		9,392.00	(15,945.00)		(15,945.00)			(6,553.00)		
(3,424.00)		218,739.00	(222,688.00)		(222,688.00)			(7,373.00)		
(89,002.60)		478,532.00	(510,992.00)		(510,992.00)			(121,462.60)		
(3,337.96)		3,337.96								
		28,692.04	(31,661.31)		(31,661.31)			(2,969.27)		
		19,428.87	(19,428.87)		(19,428.87)					
(10,226.35)		10,226.35								
		88,424.03	(94,675.81)		(94,675.81)			(6,251.78)		
(13,564.31)		150,109.25	(145,765.99)		(145,765.99)			(9,221.05)		
\$ (102,566.91)	\$ -	\$ 680,982.97	\$ (709,099.71)	\$ -	\$ (709,099.71)	\$ -	\$ -	\$ (130,683.65)	\$ -	\$ -

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2019

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Local Match	Grant Period		Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount
				From	To			
						<b>Balance June 30, 2018</b>		
<b>General Fund:</b>								
New Jersey Department of Education:								
Current Expense:								
State Aid- Public Cluster:								
Equalization Aid	495-034-5120-078	\$ 10,427,797.00		7-1-2017	6-30-2018	\$ (1,020,561.64)		
Equalization Aid	495-034-5120-078	10,427,797.00		7-1-2018	6-30-2019			
Categorical Special Education Aid	495-034-5120-089	981,906.00		7-1-2017	6-30-2018	(96,098.49)		
Categorical Special Education Aid	495-034-5120-089	981,906.00		7-1-2018	6-30-2019			
Categorical Security Aid	495-034-5120-084	200,265.00		7-1-2017	6-30-2018	(19,599.80)		
Categorical Security Aid	495-034-5120-084	200,265.00		7-1-2018	6-30-2019			
School Choice Aid	495-034-5120-068	292,404.00		7-1-2017	6-30-2018	(28,617.39)		
School Choice Aid	495-034-5120-068	357,504.00		7-1-2018	6-30-2019			
PARCC Readiness Aid	495-034-5120-098	16,820.00		7-1-2017	6-30-2018	(1,646.16)		
Per Pupil Growth Aid	495-034-5120-097	16,820.00		7-1-2017	6-30-2018	(1,646.16)		
Adjustment Aid	495-034-5120-085	6,962.00		7-1-2017	6-30-2018	(681.37)		
Professional Learning Community Aid	495-034-5120-101	15,800.00		7-1-2017	6-30-2018	(1,546.34)		
Total State Aid - Public						(1,170,397.35)		
Transportation Aid:								
Categorical Transportation Aid	495-034-5120-014	683,050.00		7-1-2017	6-30-2018	(66,849.65)		
Categorical Transportation Aid	495-034-5120-014	632,435.00		7-1-2018	6-30-2019			
Additional Nonpublic School Transportation Aid	495-034-5120-014	25,091.00		7-1-2017	6-30-2018	(25,091.00)		
Additional Nonpublic School Transportation Aid	495-034-5120-014	20,090.00		7-1-2018	6-30-2019			
Total Transportation Aid						(91,940.65)		
Extraordinary Aid								
Extraordinary Aid	495-034-5120-044	179,615.00		7-1-2017	6-30-2018	(179,615.00)		
Extraordinary Aid	495-034-5120-044	239,054.00		7-1-2018	6-30-2019			
Total Extraordinary Aid						(179,615.00)		
Payment for Institutionalized Children -								
Unknown District of Residence	495-034-5120-005	73,577.62		7-1-2017	6-30-2018	(26,064.02)		
Unknown District of Residence	495-034-5120-005	44,265.75		7-1-2018	6-30-2019			
Total Payment for Institutionalized Children						(26,064.02)		
Reimbursed T.P.A.F. Social Security Contributions								
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	449,321.59		7-1-2017	6-30-2018	(22,273.69)		
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	503,078.81		7-1-2018	6-30-2019			
Total Reimbursed T.P.A.F. Social Security Contributions						(22,273.69)		
On-behalf T.P.A.F. Pension Contributions:								
T.P.A.F. Post-Retirement Medical	495-034-5094-001	597,972.00		7-1-2018	6-30-2019			
T.P.A.F. Pension Contributions- Normal Cost	495-034-5094-002	1,291,256.00		7-1-2018	6-30-2019			
T.P.A.F. Non-contributory Insurance	495-034-5094-004	27,029.00		7-1-2018	6-30-2019			
T.P.A.F. Long-Term Disability Insurance	495-034-5094-004	1,701.00		7-1-2018	6-30-2019			
Total On-Behalf TPAF Pension Contributions								
Total General Fund						(1,490,290.71)		
<b>Special Revenue Fund:</b>								
New Jersey Department of Education:								
Preschool Education Expansion Aid	495-034-5120-086	2,001,519.00		7-1-2018	6-30-2019			
Total Special Revenue Fund								
<b>Capital Projects Fund:</b>								
School Development Authority:								
Regular Operating District Grant:								
Waterford Elementary School - Unbundled	5560-100-14-1003	3,184,884.00	\$ 3,309,617.00	6-20-14	Completion	149,115.61		
Thomas Richards Elementary School - Unbundled	5560-060-14-1002	1,275,287.00	1,325,233.00	12-19-14	Completion	(1,082,070.41)		
Atco Elementary School - Unbundled	5560-040-14-1001	1,302,313.00	1,353,318.00	12-19-14	Completion	(709,671.59)		
Total Capital Projects Fund						(1,642,626.39)		
<b>Enterprise Fund:</b>								
State Department of Agriculture:								
National School Lunch Program (State Share)	100-010-3350-023	3,333.93		7-1-2017	6-30-2018	(328.80)		
National School Lunch Program (State Share)	100-010-3350-023	2,880.41		7-1-2018	6-30-2019			
Total Enterprise Fund						(328.80)		
Total State Financial Assistance						\$ (3,133,245.90)	\$ -	\$ -
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of Treasury:								
On-Behalf T.P.A.F. Pension Contributions:								
T.P.A.F. Post-Retirement Medical	495-034-5094-001	597,972.00		7-1-2018	6-30-2019			
T.P.A.F. Pension Contributions- Normal Cost	495-034-5094-002	1,291,256.00		7-1-2018	6-30-2019			
T.P.A.F. Non-contributory Insurance	495-034-5094-004	27,029.00		7-1-2018	6-30-2019			
T.P.A.F. Long-Term Disability Insurance	495-034-5094-004	1,701.00		7-1-2018	6-30-2019			
Total General Fund (Non-Cash Assistance)								
Total State Financial Assistance subject to Major Program Determination for State Single Audit								

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed- Through Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2019			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2019	Cumulative Total Expenditures
\$ 1,020,561.64									\$ (10,427,797.00)
9,399,205.51	\$ (10,427,797.00)				\$ (1,028,591.49)			\$ (1,028,591.49)	(10,427,797.00)
96,098.49									(981,906.00)
885,051.39	(981,906.00)				(96,854.61)			(96,854.61)	(981,906.00)
19,599.80									(200,265.00)
180,510.98	(200,265.00)				(19,754.02)			(19,754.02)	(200,265.00)
28,617.39									(292,404.00)
322,240.02	(357,504.00)				(35,263.98)			(35,263.98)	(357,504.00)
1,646.16									(16,820.00)
1,646.16									(16,820.00)
681.37									(6,962.00)
1,546.34									(15,800.00)
<u>11,957,405.25</u>	<u>(11,967,472.00)</u>				<u>(1,180,464.10)</u>			<u>(1,180,464.10)</u>	<u>(23,933,208.00)</u>
66,849.65									(683,050.00)
570,052.00	(632,435.00)				(62,383.00)			(62,383.00)	(632,435.00)
25,091.00									(25,091.00)
	(20,090.00)				(20,090.00)				(20,090.00)
<u>661,992.65</u>	<u>(652,525.00)</u>				<u>(82,473.00)</u>			<u>(62,383.00)</u>	<u>(1,360,666.00)</u>
179,615.00									(179,615.00)
	(239,054.00)				(239,054.00)				(239,054.00)
<u>179,615.00</u>	<u>(239,054.00)</u>				<u>(239,054.00)</u>				<u>(418,669.00)</u>
26,064.02									(73,577.62)
42,777.40	(44,265.75)				(1,488.35)				(44,265.75)
<u>68,841.42</u>	<u>(44,265.75)</u>				<u>(1,488.35)</u>				<u>(117,843.37)</u>
22,273.69									(449,321.59)
476,362.04	(503,078.81)				(26,716.77)				(503,078.81)
<u>498,635.73</u>	<u>(503,078.81)</u>				<u>(26,716.77)</u>				<u>(952,400.40)</u>
597,972.00	(597,972.00)								(597,972.00)
1,291,256.00	(1,291,256.00)								(1,291,256.00)
27,029.00	(27,029.00)								(27,029.00)
1,701.00	(1,701.00)								(1,701.00)
<u>1,917,958.00</u>	<u>(1,917,958.00)</u>								<u>(1,917,958.00)</u>
15,284,448.05	(15,324,353.56)				(1,530,196.22)			(1,242,847.10)	(28,700,744.77)
1,801,367.10	(1,641,028.91)				(200,151.90)	\$ 360,490.09		(200,151.90)	(1,641,028.91)
<u>1,801,367.10</u>	<u>(1,641,028.91)</u>				<u>(200,151.90)</u>			<u>(200,151.90)</u>	
					(1,267,168.49)	1,416,284.10			(5,078,216.90)
					(1,275,287.00)	193,216.59			(2,407,303.41)
					(1,302,313.00)	592,641.41			(2,062,989.59)
					<u>(3,844,768.49)</u>	<u>2,202,142.10</u>			<u>(9,548,509.90)</u>
328.80									(3,333.93)
2,684.43	(2,880.41)				(195.98)				(2,880.41)
<u>3,013.23</u>	<u>(2,880.41)</u>				<u>(195.98)</u>				<u>(6,214.34)</u>
<u>\$ 17,088,828.38</u>	<u>\$ (16,968,262.88)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,575,312.59)</u>	<u>\$ 2,202,142.10</u>	<u>\$ -</u>	<u>\$ (1,442,999.00)</u>	<u>\$ (38,255,469.01)</u>

\$ 597,972.00  
1,291,256.00  
27,029.00  
1,701.00  
1,917,958.00  
\$ (15,050,304.88)

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2019

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**Note 1: BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Waterford School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise funds are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,600.10 for the general fund and \$253,902.36 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 52,341.72	\$ 15,318,753.46	\$ 15,371,095.18
Special Revenue	458,250.64	1,439,867.90	1,898,118.54
Food Service	145,765.99	2,880.42	148,646.41
	<u>656,358.35</u>	<u>16,761,501.78</u>	<u>17,417,860.13</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		205,752.00	205,752.00
Encumbrances	52,741.36	1,009.10	53,750.46
	<u>52,741.36</u>	<u>206,761.10</u>	<u>259,502.46</u>
Total Awards and Financial Assistance Expended	<u>\$ 709,099.71</u>	<u>\$ 16,968,262.88</u>	<u>\$ 17,677,362.59</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2019, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 6: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.



TOWNSHIP OF WATERFORD SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

Section 1- Summary of Auditor's Results (Cont'd)

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified: \_\_\_\_\_ yes X no

Significant deficiency(ies) identified: \_\_\_\_\_ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? \_\_\_\_\_ yes X no

Identification of major programs:

**GMIS Number(s)**

**Name of State Program**

\_\_\_\_\_

State Aid Public Cluster: \_\_\_\_\_

495-034-5120-078 \_\_\_\_\_

Equalization Aid \_\_\_\_\_

495-034-5120-089 \_\_\_\_\_

Categorical Special Education Categorical Aic \_\_\_\_\_

495-034-5120-084 \_\_\_\_\_

Categorical Security Aic \_\_\_\_\_

495-034-5120-068 \_\_\_\_\_

School Choice Aid \_\_\_\_\_

495-034-5120-086 \_\_\_\_\_

Preschool Education Expansion Grant \_\_\_\_\_

Dollar threshold used to determine Type A programs: \_\_\_\_\_ \$750,000.00 \_\_\_\_\_

Auditee qualified as low-risk auditee? X yes \_\_\_\_\_ no



**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

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***Section 2- Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

None.

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not Applicable.

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2019

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***Section 4- Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

**TOWNSHIP OF WATERFORD SCHOOL DISTRICT**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

Not applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

