

**EAST AMWELL TOWNSHIP
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

JUNE 30, 2020

**Responsibility of the Management of
East Amwell Township School District
Hunterdon County, New Jersey**



Certified Public Accountants, PC

**EAST AMWELL TOWNSHIP
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

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**BOARD OF EDUCATION
EAST AMWELL SCHOOL DISTRICT**

January 8, 2021

Honorable President and Members
of the East Amwell School District
Hunterdon County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the East Amwell School District for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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: Introduction, Financial, Statistical and Single Audit. The Introduction Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general-purpose financial 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to this single audit, including the auditor's report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

East Amwell School District is an independent reporting entity within the criteria adopted by the GASB (Governmental Account Standards Board) as established by Statement No. 14. All funds and accounting groups of the District are included in this report. The East Amwell Board of Education and its one school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels kindergarten through eight, including both regular and special education. Resident enrollment as of June 30, 2020 totaled 356 students.

The following details the changes in student enrollment of the District over the last fifteen years.

Fiscal Year	Student Enrollment	% Change
2019-20	356	-2.99%
2018-19	367	3.97%
2017-18	353	-2.22%
2016-17	361	-2.69%
2015-16	371	-6.40%
2014-15	393	-6.40%
2013-14	418	-1.50%
2012-13	433	-3.70%
2011-12	450	-7.60%
2010-11	487	-2.80%
2009-10	501	2.70%
2008-09	488	-0.20%
2007-08	489	-1.00%
2006-07	494	1.60%
2005-06	486	1.00%

2. ECONOMIC CONDITION AND OUTLOOK

East Amwell Township is in southern Hunterdon County and encompasses 28.7 square miles with 47 miles of roads, including the Rt. 31-202 corridor. East Amwell is rural in character, with the Village of Ringoes as its primary population and business center.

The East Amwell Township Elementary School, located on a 32-acre site with outdoor playground equipment and ball fields, is the only school building. The school was constructed in 1938, with additions in 1950, 1963, 1978, 1988, and 1998. With the kindergarten through eighth grade organizational structure, the present facility has a functional capacity of 558 students. Two soccer fields on the school property are shared with the Township Recreation Committee.

The School District is governed by a nine-member Board of Education elected by the District to serve alternating three-year terms. As of June 30, 2020, the District employed 46 full-time certificated, 4 part-time certificated, 18 full-time non-certificated, and 5 part-time non-certificated staff. Hunterdon Central Regional High School provides transportation for all students, except for some out-of-district placements, which may be provided by the Hunterdon County Education Services Commission.

The future outlook for District financing continues to depend primarily upon the ability and willingness of the Governor and State Legislature to provide funding for education. The availability of tax revenues to the State and its distribution among all New Jersey School Districts, however, will have a profound impact on the education provided to East Amwell students and to the local property taxes.

3. MAJOR INITIATIVES

Blue Ribbon School

East Amwell School was proud to be a National Blue Ribbon School of Excellence. Student achievement is evidenced by our consistent high performance on standard assessments.

Test Results

Due to the COVID-19 pandemic the students in grades three through eight did not take the NJSLA assessment in the Spring of 2020.

Professional Development

Professional Development is one of the driving forces behind our successful school. Student achievement is the direct result of our insightful, effective professional development. The overall approach is to provide staff members with the knowledge and tools needed to educate the whole child in this complex world. Professional development activities in the 2019-2020 school year included training in Dyslexia, Language Arts Literacy, Curriculum Writing, LinkIt!, NGSS, Technology, Word Study, Mathematics Curriculum Materials review, Brain Based Learning, Reports Card Revisions, Epilepsy Training, Mindfulness, ST Math, as well as mandatory training through consultants and web-based offerings. Staff also participated in team building exercises to strength the school community. Professional development is ongoing and emphasizes current research and best practices. These opportunities for professional development unite the school community towards student achievement and school improvement.

Synergistics

The Synergistics Learning system is a technology-assisted learning system divided into workstations where pairs of students explore a variety of content areas providing multi-sensory experiences through audio, video, software, text, and hands-on activities. Modules include Career Exploration, Podcasting, CSI (Crime Scene Investigation), Design Challenge, Mechanical Drawing, Film, Photography, Garage Band, Bridge Building, Solar Cars, Flight Technology, and Personal Finance. Synergistics, located in the Technology Lab, provides a well-balanced program for a broad range of student interests as well as an introduction to the applied technology program at Hunterdon Central High School.

21st Century Classroom

In order for students to be prepared for a more complex life and work environment, a 21st century classroom must promote creativity, critical thinking, communication, and collaboration that allow students to create with video, audio, text, and images provide an opportunity to build higher-order thinking skills.

Authoring multimedia content requires students to:

- Employ creativity and innovation as they develop, implement, and communicate ideas and demonstrate originality and inventiveness;
- Be critical thinkers and problem solvers as they frame, analyze, and synthesize information to solve problems and answer questions;
- Communicate and collaborate as they articulate thoughts and ideas clearly and effectively and share responsibility for collaborative work;
- Build information, media, and technology skills in context.

According to the Partnership for 21st Century Skills, students must have a “range of functional and critical thinking skills related to information, media and technology” to succeed in a 21st century marketplace.

Using a creative technology tool, students learn to manage information as they develop podcasts, online storybooks, videos, and flash animations, becoming media producers, not just consumers.

To be successful in the 21st century, students must be able to work without supervision, in diverse groups, and be productive members of society. Project learning increases student’s capacity for self-directed learning, collaboration, and social interaction.

Collaborating on technology projects encourages students to become self-directed learners and builds leadership and responsibility, as well as social and cultural awareness.

East Amwell School’s 21st Century Classrooms are built on a fiber backbone network delivering fast internet and data access to every student and staff member. Each classroom is uniformly equipped with Epson smart board technology embedded with a robust Aerohive Wireless network providing seamless connectivity for students and staff.

Each student has access to their own personal learning device for use in the classroom. iPads are used in Pre-K through 2nd grade while Chrome Books, supported by Google Classroom, are used in 3rd grade through 8th grade.

Each staff member has been issued iPads and Dell Laptops for connectivity to classroom smart technology providing unique interaction with students in the delivery of Core Standard lessons. All teachers use Google Sites as a simple and clear format of communicating with school families. Homework, activities and a calendar are maintained by staff using Sites. Their personal homepage enables better communication, allowing for high achievement of students. PlanbookEDU is used by the teaching staff for the creation of lesson plans that can be shared with administrators. IEP Direct is used by the Child Study Team to create, sustain and monitor student IEPs for better success in the classroom.

The school website, which can be translated into many different languages, also provides tremendous communication between the school district, staff members, and families. Blackboard Connect Mass Notification system is used for daily blasts of information through email, text, and phone and also provides emergency notices, such as school closings due to inclement weather, when needed.

The Library/Media Center is equipped with DESTINY, a complete library automation solution accessible from five networked student/teacher workstations. Students’ PC workstations provide further access to the Internet and resources such as World Book Online, MS Office Suite, and search engines such as EPSCO Host. The regional high school uses the same solution increasing compatibility between resources.

The Computer Lab, located in the Media Center, consists of 25 windows-based desktop computers. Each computer is networked, internet ready and is imaged with MS Office Suite, Chrome and Google Docs.

A state-of-the-art TV studio has become part of the technology enrichment, where morning announcements are broadcasted by students every day.

Student Information System

Genesis is the District's student information system providing much needed data to staff members and families. Progress reports, report cards, and daily assignments can all be viewed through the Parent Portal, creating well defined lines of communication between all invested parties.

Network Administration

Computer systems analysis/design, remote access support for data servers, and high-level technical support for both PC and Mac platforms were provided by an outside vendor. This support is supplemented and coordinated on-site by a part-time District Technology Coordinator. The Three-Year Technology Plan is reviewed and updated annually.

Long-Range Facilities Plan

The 2005 Long Range Facilities Plan included enrollment projections that verified the existing functional capacity of 558 and classified the facility "In Good Condition." The plan is reviewed annually and updated on an as-needed basis.

4. INTERNAL ACCOUNT CONTROLS

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to 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 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 account controls, the District maintains budgetary control. 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. Annual appropriated budgets are adopted for the

general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2020.

6. ACCOUNTING SYSTEM AND REPORTS

The District’s accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Account Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in 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.

8. DEBT ADMINISTRATION:

The District issued bank qualified (callable) 20-year bonds totaling \$3,315,000 aggregate principal in August 2017 at the per annum interest rate of 2.00%-3.125%. Principal payment dates began January 15, 2019 and interest payment dates began in July. Principal payment dates continue each January 15 until maturity on January 15, 2038 or earlier redemption. Interest payment dates continue each January 15 and July 15 until maturity on January 15, 2038 or earlier redemption.

9. CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in the Notes to the Financial Statements, Notes 1 and 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires Governmental Units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT

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

11. OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of BKC, CPAs, PC was appointed 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. 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 single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS

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

Respectfully submitted,



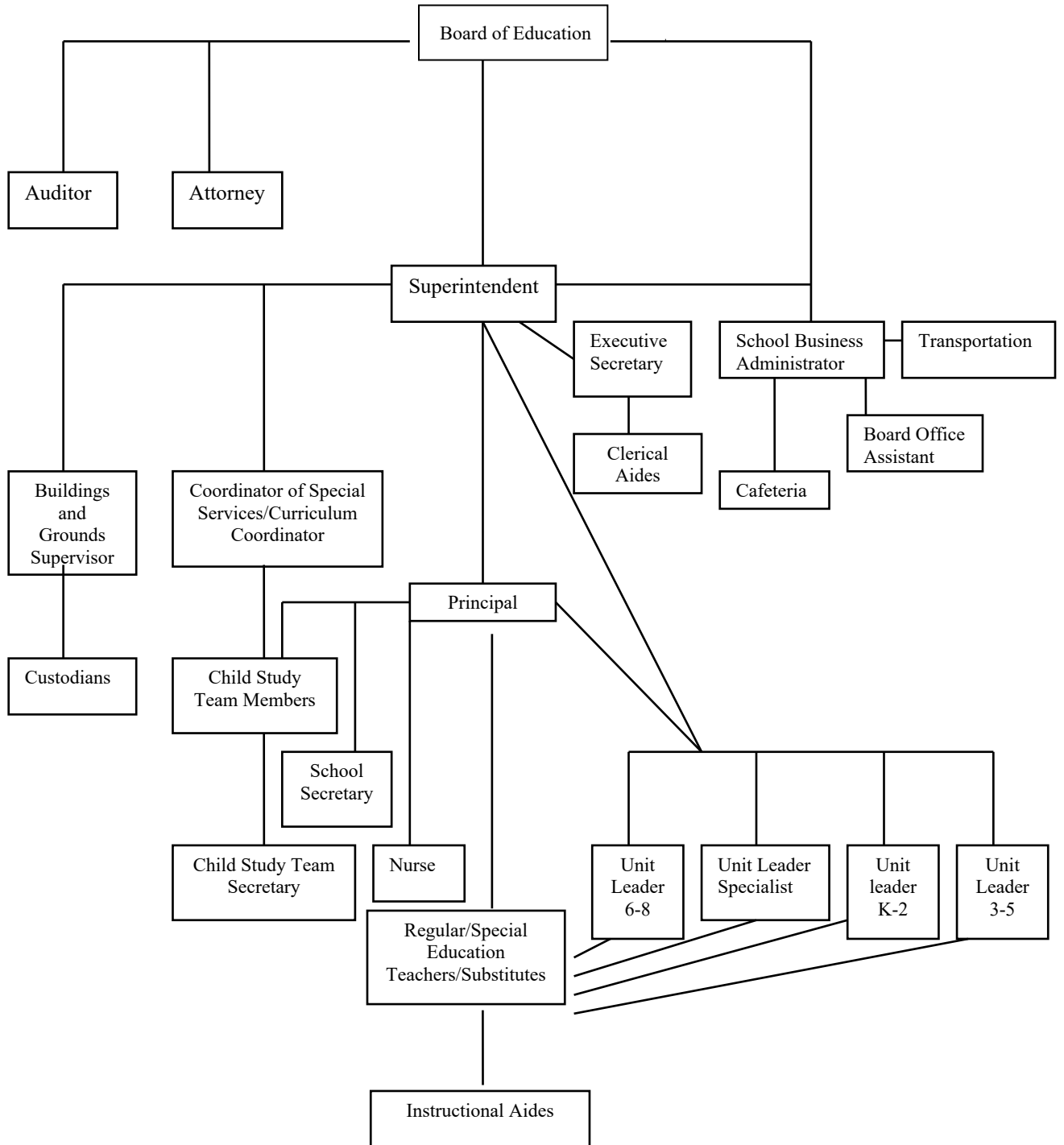
Edward F. Stoloski
Superintendent



Heidi Gara
SBA/Board Secretary

EAST AMWELL TOWNSHIP SCHOOL DISTRICT

1110 ORGANIZATIONAL CHART



EAST AMWELL TOWNSHIP SCHOOL DISTRICT
43 Wertsville Road, P.O. Box 680
Ringoes, NJ 08551
June 30, 2020

Roster of Officials

<u>Members of the Board of Education</u>	<u>Title</u>	<u>Term Expires</u>
Charles Miles, Jr.	President	2022
Kimberly Williard	Vice President	2021
Carole Ammann		2020
Lisa Hutchison		2020
Jessica Kraycirik		2020
John Mills		2020
Carole McGee		2021
Christopher Thompson		2021
Charles Miller		2022

<u>Other Officials</u>	<u>Title</u>
Edward Stoloski	Superintendent
Heidi Gara	Board Secretary/School Business Administrator

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
43 Wertsville Road, P.O. Box 680
Ringoes, NJ 08551
June 30, 2020

Consultants and Advisors

AUDIT FIRM

BKC, CPAs, PC
39 State Route 12, Ste 2
Flemington, NJ 08822

ATTORNEY

Fogarty & Hara
Counselors at Law
16-00 Route 208 South
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORY

Northfield Bank



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Amwell Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2020, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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 East Amwell Township School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The introduction section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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 combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

January 8, 2021
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The discussion and analysis of East Amwell Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. 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.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position increased \$256,494, which represents a 4.56% increase from 2019.
- General revenues accounted for \$11,020,726 in revenue or 96.11% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for or \$445,872 or 3.89% to total revenues of \$11,466,598.
- Total assets of governmental activities increased by \$142,070 as cash and cash equivalents decreased by \$218,089, receivables and other assets increased by \$13,763 and capital assets increased by \$346,396.
- The School District had \$11,138,899 in expenses; \$455,872 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,020,726 were adequate to provide for these programs.
- Among major funds, the general fund had \$9,428,702 in revenues and \$9,548,914 in expenditures. The general fund's balance decreased \$66,212 from 2019.

Using this Comprehensive Annual Financial Report (CAFR)

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the School District's net position and changes in position. 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 property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities 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 facilities, pupil transportation and extracurricular activities.
- Business-type activity is a service that is provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The food service enterprise fund is reported as a business activity.

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Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the "operating results" by measuring cash on hand and other assets that can be easily 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 provided. 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.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The cafeteria service is currently managed by a food service company.

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The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for the fiscal year ended June 30, 2020 compared to June 30, 2019.

Table 1
Net Position

	6/30/20	6/30/19	Variance	
			Dollars	%
Assets				
Current & other assets	\$ 2,594,927	\$ 2,788,437	\$ (193,510)	-6.94%
Capital assets	9,103,027	8,759,274	343,753	3.92%
Total assets	<u>11,697,954</u>	<u>11,547,711</u>	<u>150,243</u>	1.30%
Deferred outflows on deferred pension activity	<u>358,408</u>	<u>583,502</u>	<u>(225,094)</u>	-38.58%
Liabilities				
Long-term liabilities	5,287,067	5,657,311	(370,244)	-6.54%
Other liabilities	94,638	111,242	(16,604)	-14.93%
Total liabilities	<u>5,381,705</u>	<u>5,768,553</u>	<u>(386,848)</u>	-6.71%
Deferred inflows on deferred pension activity	<u>788,286</u>	<u>732,783</u>	<u>55,503</u>	7.57%
Net position				
Net investment in capital assets	6,028,027	5,554,274	473,753	8.53%
Restricted	2,019,119	2,144,653	(125,534)	-5.85%
Unrestricted	(2,160,775)	(2,069,050)	(91,725)	-4.43%
Total net position	<u>\$ 5,886,371</u>	<u>\$ 5,629,877</u>	<u>\$ 256,494</u>	4.56%

Total assets increased \$150,243. Cash and cash equivalents decreased by \$205,854 receivables and other assets increased by \$12,344 and capital assets increased by \$343,753. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District decreased by \$91,725.

The negative balance in unrestricted net position is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

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Table 2 provides a summary of the District's changes in net position for the fiscal year ended June 30, 2020 compared to June 30, 2019.

Table 2
Changes in Net Position

	6/30/20	6/30/19	Variance	
			Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 236,092	\$ 360,488	\$ (124,396)	-34.51%
Operating grants	209,780	199,625	10,155	5.09%
Capital grants	-	27,282	(27,282)	-100.00%
General revenues				
Property taxes	7,257,323	7,144,122	113,201	1.58%
Unrestricted grants	3,736,535	3,710,543	25,992	0.70%
Other	26,868	42,876	(16,008)	-37.34%
Total revenues	11,466,598	11,484,936	(18,338)	-0.16%
Program expenses				
Instruction				
Regular	5,187,463	5,045,841	141,622	2.81%
Special	1,290,557	1,334,468	(43,911)	-3.29%
Other special	226,090	255,082	(28,992)	-11.37%
Other	295,592	205,967	89,625	43.51%
Support services				
Tuition	-	-	-	
Student & instructional staff	1,834,648	1,775,661	58,987	3.32%
General & business administration	670,296	637,688	32,608	5.11%
School administration	743,580	263,499	4,335	1.65%
Maintenance	267,834	821,357	(77,777)	-9.47%
Transportation	452,556	455,647	(3,091)	-0.68%
Food service	88,841	99,751	(10,910)	-10.94%
Interest on long-term debt	81,442	90,273	(8,831)	-9.78%
Total expenses	11,138,899	10,985,234	153,665	1.40%
Increase (decrease) in net position before special position	327,699	499,702	(172,003)	-34.42%
Special Items				
Loss on disposal of assets	(71,205)	-	(71,205)	*
Increase (decrease) in net position	\$ 256,494	\$ 499,702	\$ (243,208)	-48.67%

* = Undefined

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Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 63.29% of revenues for district-wide activities for the East Amwell School District for fiscal year 2020.

Instruction comprises 62.84% of District expenses. Support services expenses comprise 37.16% of the expenses. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal year ended June 30, 2020 compared to June 30, 2019. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/20	6/30/19	6/30/20	6/30/19
Instruction	\$ 6,999,702	\$ 6,841,358	\$ 6,675,251	\$ 6,399,431
Support services				
Tuition	-	-	-	-
Student & instructional staff	1,834,648	1,775,661	1,803,852	1,740,846
General & business administration	670,296	637,688	670,296	636,460
School administration	267,834	263,499	267,834	262,790
Plant operations & maintenance	743,580	821,357	739,316	813,315
Pupil transportation	452,556	455,647	452,556	455,592
Food service	88,841	99,751	(4,919)	(868)
Interest on long-term debt	81,442	90,273	88,841	90,273
Total expenses	<u>\$ 11,138,899</u>	<u>\$ 10,985,234</u>	<u>\$ 10,693,027</u>	<u>\$ 10,397,839</u>

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

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

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

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

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

Extracurricular activities include expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

The dependence upon tax revenues is apparent. For all activities general revenue support is 96.11%. The community, as a whole, is the primary support for the East Amwell Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,874,325, expenditures of \$10,060,070. The change in fund balance for the year was a decrease of \$185,745 which was most significant in the capital projects fund.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2020, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the general fund, budgetary basis revenues were \$8,194,892, \$83,360 above original budgeted estimates of \$8,111,532. This difference was due primarily to excess tuition revenues.

The general fund revenues and other financing sources of the School District were exceeded by expenditures and other financing uses by \$66,402, due to excess revenues of \$83,360 and unspent budgetary lines. This enabled the capital reserve account to be increased by \$554,340 and the maintenance reserve account to be increased by \$103,660. The financial position of the School District remains strong.

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Capital Assets

At the end of the fiscal year 2020 the School District had \$9,103,027 invested in land, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation for the fiscal year ended June 30, 2020 compared to June 30, 2019.

Table 4
Capital Assets (Net of Depreciation)

	06/30/20	06/30/19	Variance	
			Dollars	%
Land	\$ 462,026	\$ 462,026	\$ -	0.00%
Construction in progress	9,460	4,291,665	(4,282,205)	-99.78%
Land improvements	23,857	29,156	(5,299)	-18.17%
Buildings & improvements	8,362,380	3,683,086	4,679,294	127.05%
Furniture & equipment	245,304	293,341	(48,037)	-16.38%
Total	<u>\$ 9,103,027</u>	<u>\$ 8,759,274</u>	<u>\$ 343,753</u>	3.92%

Overall capital assets increased \$343,753 from fiscal year 2019 to fiscal year 2020. Increases in capital assets were offset by depreciation expenses for the year.

Debt Administration

At June 30, 2020, the School District had \$5,287,067 of outstanding long-term liabilities. This amount is detailed in Table 5 below for the fiscal year ended June 30, 2020 compared to June 30, 2019.

Table 5
Long-Term Liabilities

	06/30/20	06/30/19	Variance	
			Dollars	%
General obligation bonds	\$ 3,075,000	\$ 3,205,000	\$ (130,000)	-4.06%
Compensated absences	411,766	359,280	52,486	14.61%
PERS net pension liability	1,800,301	2,093,031	(292,730)	-13.99%
	<u>\$ 5,287,067</u>	<u>\$ 5,657,311</u>	<u>\$ (370,244)</u>	-6.54%

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
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For the Future

The East Amwell Township School District is in very good financial condition. East Amwell Township is primarily a residential community, with very few ratables. The financial burden, therefore, is focused on homeowners.

Concerns include not only the increased reliance on local property taxes and increasing costs for special education students, but also the safety and security of our students. Over the past few years, the District has been able to accumulate reserve funds to address some of our facility needs identified in a recent facility evaluation. The District has proposed a no tax referendum to allow utilization of Debt Service Aid and save a portion of reserve funds for future projects.

The East Amwell Township School District has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Heidi Gara, School Business Administrator/Board Secretary at East Amwell Township Board of Education, 43 Wertsville Road, Ringoes, NJ 08551 or email at hgara@eastamwell.org.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 475,066	\$ 17,941	\$ 493,007
Due from other funds	600	-	600
Receivables, net	75,537	3,870	79,407
Inventory	-	2,794	2,794
Restricted assets			
Capital reserve - cash	1,519,777	-	1,519,777
Emergency reserve - cash	75,300	-	75,300
Maintenance reserve - cash	403,660	-	403,660
Capital projects - cash	20,382	-	20,382
Capital assets, net			
Land	462,026	-	462,026
Capital assets not being depreciated	9,460	-	9,460
Other capital assets, net of depreciation	8,612,671	18,870	8,631,541
Total assets	<u>11,654,479</u>	<u>43,475</u>	<u>11,697,954</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>358,408</u>	<u>-</u>	<u>358,408</u>
Liabilities			
Accounts payable	25,558	-	25,558
Accrued interest	39,531	-	39,531
Unearned revenue	23,075	6,474	29,549
Long-term liabilities			
Due within one year	135,000	-	135,000
Due beyond one year	5,152,067	-	5,152,067
Total liabilities	<u>5,375,231</u>	<u>6,474</u>	<u>5,381,705</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>788,286</u>	<u>-</u>	<u>788,286</u>
Net position			
Net investment in capital assets	6,009,157	18,870	6,028,027
Restricted for			
Capital reserve	1,519,777	-	1,519,777
Emergency reserve	75,300	-	75,300
Maintenance reserve	403,660	-	403,660
Capital projects	20,382	-	20,382
Unrestricted	<u>(2,178,906)</u>	<u>18,131</u>	<u>(2,160,775)</u>
Total net position	<u>\$ 5,849,370</u>	<u>\$ 37,001</u>	<u>\$ 5,886,371</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,729,973	\$ 2,457,490	\$ 182,474	\$ 26,264	\$ -	\$ (4,978,725)	\$ -	\$ (4,978,725)
Special education	736,107	554,450	-	95,939	-	(1,194,618)	-	(1,194,618)
Other special education	90,540	135,550	-	19,774	-	(206,316)	-	(206,316)
Other instruction	74,600	220,992	-	-	-	(295,592)	-	(295,592)
Support services								
Students and instruction related services	1,054,506	780,142	-	30,796	-	(1,803,852)	-	(1,803,852)
General and business administration services	492,000	178,296	-	-	-	(670,296)	-	(670,296)
School administration services	161,263	106,571	-	-	-	(267,834)	-	(267,834)
Plant operations and maintenance	627,714	115,866	4,264	-	-	(739,316)	-	(739,316)
Pupil transportation	449,345	3,211	-	-	-	(452,556)	-	(452,556)
Interest on long-term debt	88,841	-	-	-	-	(88,841)	-	(88,841)
Total governmental activities	<u>6,504,889</u>	<u>4,552,568</u>	<u>186,738</u>	<u>172,773</u>	<u>-</u>	<u>(10,697,946)</u>	<u>-</u>	<u>(10,697,946)</u>
Business-type activities								
Food service	81,442	-	49,354	37,007	-	-	4,919	4,919
Total business-type activities	<u>81,442</u>	<u>-</u>	<u>49,354</u>	<u>37,007</u>	<u>-</u>	<u>-</u>	<u>4,919</u>	<u>4,919</u>
Total primary government	<u>\$ 6,586,331</u>	<u>\$ 4,552,568</u>	<u>\$ 236,092</u>	<u>\$ 209,780</u>	<u>\$ -</u>	<u>(10,697,946)</u>	<u>4,919</u>	<u>(10,693,027)</u>
General revenues, special items and transfers								
						7,063,298	-	7,063,298
						194,025	-	194,025
						3,736,535	-	3,736,535
						15,953	86	16,039
						10,829	-	10,829
						(71,205)	-	(71,205)
						<u>10,949,435</u>	<u>86</u>	<u>10,949,521</u>
						251,489	-	251,489
						5,597,881	31,996	5,629,877
						<u>\$ 5,849,370</u>	<u>\$ 37,001</u>	<u>\$ 5,886,371</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 471,315	\$ 3,751	\$ -	\$ -	\$ 475,066
Due from other funds	600	-	-	-	600
Receivables from other governments					
State	43,840	-	-	-	43,840
Federal	-	12,272	-	-	12,272
Other local governments	14,850	-	-	-	14,850
Other accounts receivable	4,575	-	-	-	4,575
Restricted cash and cash equivalents	1,998,737	-	20,382	-	2,019,119
Total assets	\$ 2,533,917	\$ 16,023	\$ 20,382	\$ -	\$ 2,570,322
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 25,310	\$ 248	\$ -	\$ -	\$ 25,558
Unearned revenue	7,300	15,775	-	-	23,075
Total liabilities	32,610	16,023	-	-	48,633

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 95,905	\$ -	\$ -	\$ -	\$ 95,905
Excess surplus - current year	109,933	-	-	-	109,933
Capital reserve	1,519,777	-	-	-	1,519,777
Emergency reserve	75,300	-	-	-	75,300
Maintenance reserve	403,660	-	-	-	403,660
Capital projects	-	-	20,382	-	20,382
Committed fund balance					
Encumbrances	90,197	-	-	-	90,197
Unassigned fund balance	206,535	-	-	-	206,535
Total fund balances	2,501,307	-	20,382	-	2,521,689
Total liabilities and fund balances	\$ 2,533,917	\$ 16,023	\$ 20,382	\$ -	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,670,270 and the accumulated depreciation is \$3,932,509.	9,084,157
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(429,878)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(5,287,067)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(39,531)
Total net position of governmental activities	\$ 5,849,370

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 7,063,298	\$ -	\$ -	\$ 194,025	\$ 7,257,323
Tuition charges					
Individuals	119,745	-	-	-	119,745
Other sources	62,729	-	-	-	62,729
Interest	15,953	-	-	-	15,953
Rents and royalties	4,264	-	-	-	4,264
Miscellaneous	10,829	1,377	-	-	12,206
Total local sources	7,276,818	1,377	-	194,025	7,472,220
State sources	2,205,884	-	-	24,825	2,230,709
Federal sources	-	171,396	-	-	171,396
Total revenues	9,482,702	172,773	-	218,850	9,874,325
Expenditures					
Current					
Instructional					
Regular instruction	2,706,574	23,399	-	-	2,729,973
Special education instruction	646,986	89,121	-	-	736,107
Other special instruction	75,892	14,648	-	-	90,540
Other instruction	74,600	-	-	-	74,600
Support service and undistributed costs					
Student and instruction related services	1,023,710	30,796	-	-	1,054,506
General and business administrative services	492,000	-	-	-	492,000
School administrative services	161,263	-	-	-	161,263
Plant operations and maintenance	627,714	-	-	-	627,714
Pupil transportation	449,345	-	-	-	449,345
Unallocated benefits	2,664,754	14,809	-	-	2,679,563

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 624,893	\$ -	\$ 119,534	\$ -	\$ 744,427
Debt service					
Principal	-	-	-	130,000	130,000
Interest and other charges	1,183	-	-	88,850	90,033
Total expenditures	<u>9,548,914</u>	<u>172,773</u>	<u>119,534</u>	<u>218,850</u>	<u>10,060,071</u>
Excess (deficit) of revenues over (under) expenditures	(66,212)	-	(119,534)	-	(185,746)
Fund balances, July 1	<u>2,567,519</u>	<u>-</u>	<u>139,916</u>	<u>-</u>	<u>2,707,435</u>
Fund balances, June 30	<u><u>\$ 2,501,307</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,382</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,521,689</u></u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Total net changes in fund balances - governmental fund (from B-2)	\$	(185,746)
<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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:</p>		
Capital outlays	\$	744,427
Loss on disposal of assets		(71,205)
Depreciation expense		(326,825)
		346,397
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:</p>		
Debt principal payments		130,000
<p>Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		12,132
<p>In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a reconciling item.</p>		
		1,192
<p>In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(52,486)
Change in net position of governmental activities	\$	251,489

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2020

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 17,941
Receivables from other governments	
State	60
Federal	3,810
Inventory	2,794
Total current assets	<u>24,605</u>
Noncurrent assets	
Capital assets	48,438
Less: accumulated depreciation	<u>29,568</u>
Total noncurrent assets	<u>18,870</u>
Total assets	<u>43,475</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	1,019
Unearned revenues - prepaid sales	<u>5,455</u>
Total liabilities	<u>6,474</u>
Net position	
Net investment in capital assets	18,870
Unrestricted	<u>18,131</u>
Total net position	<u>\$ 37,001</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 33,470
Daily sales - non-reimbursable programs	14,948
Miscellaneous revenue	936
Total operating revenues	49,354
Operating expenses	
Cost of sales - reimbursable programs	27,849
Cost of sales - non-reimbursable programs	7,024
Commodity food costs	5,681
Salaries	21,650
Support services - employee benefits	3,069
Purchased professional/technical services	1,070
Purchased property services	44
Other purchased services	
Insurance	3,026
Management fee	8,001
Supplies and materials	1,062
Depreciation	2,643
Miscellaneous expenditures	323
Total operating expenses	81,442
Operating income (loss)	(32,088)
Non-operating revenues (expenses)	
State sources	
State school lunch program	969
Federal sources	
National school lunch program	
Cash assistance	30,357
Non cash assistance (commodities)	5,681
Interest earned on investments	86
Total non-operating revenues (expenses)	37,093
Change in net position	5,005
Net position, beginning	31,996
Net position, ending	\$ 37,001

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers (net)	\$ 51,261
Payments to Food Service Management Co.	(72,132)
Payments to vendors (net)	(987)
Net cash provided by (used for) operating activities	<u>(21,858)</u>
Cash flows from non-capital financing activities	
State sources	1,012
Federal sources	29,200
Net interfund transactions	3,795
Net cash provided by (used for) non-capital financing activities	<u>34,007</u>
Cash flows from investing activities	
Interest on investments	86
Net increase (decrease) in cash and cash equivalents	12,235
Cash and cash equivalents, beginning	<u>5,706</u>
Cash and cash equivalents, ending	<u>\$ 17,941</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (32,088)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	2,643
Federal food donation program	5,681
(Increase) decrease in inventory	(1,262)
Increase (decrease) in unearned revenue	3,168
Net cash provided by (used for) operating activities	<u>\$ (21,858)</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2020

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
Assets			
Cash and cash equivalents	\$ 174,909	\$ 29,240	\$ 48,876
Due from other funds	8,564	-	-
Total assets	\$ 183,473	\$ 29,240	\$ 48,876
 Liabilities			
Due to other funds	\$ -	\$ -	\$ 9,164
Due to student groups	-	29,240	-
Payroll deductions and withholdings	-	-	39,712
Total liabilities	-	\$ 29,240	\$ 48,876
 Net position			
Held in trust for unemployment claims and other purposes	\$ 183,473		

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 7,870
Investment earnings - interest	666
Total additions	<u>8,536</u>
Change in net position	8,536
Net position, beginning of the year	<u>174,937</u>
Net position, end of the year	<u><u>\$ 183,473</u></u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2020 of 356 students.

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

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's Board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, 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, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating 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.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and 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, which are classified in the capital outlay sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund.

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
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Fiduciary fund types

Trust and Agency Funds - This fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the trust and agency funds of the District.

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

E. Encumbrances

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

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

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2019-2020 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

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

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum 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 credits, grantors, or laws or regulations of their 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.

O. Fund balances - governmental funds

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

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

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

P. Use of 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 the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed, as to amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash and certificates of deposit in banks. As of June 30, 2020, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits, cash equivalents, and investments (continued)

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

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2020, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$	250,000
Insured by GUDPA		2,706,621
Total bank balances	\$	<u>2,956,621</u>

Deposits at June 30, 2020 appear in the financial statements as summarized below:

Cash and cash equivalents		\$	<u>2,765,151</u>
	<u>Ref.</u>		
Unrestricted cash and cash equivalents			
Governmental funds, Balance Sheet	B-1	\$	475,066
Enterprise funds, Statement of Net Position	B-4		17,941
Fiduciary funds, Statement of Net Position	B-7		253,025
Restricted cash and cash equivalents			
Governmental funds, Balance Sheet	B-1		2,019,119
Total cash and cash equivalents		\$	<u>2,765,151</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 -

Capital assets

Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 462,026	\$ -	\$ -	\$ 462,026
Construction in progress	4,291,665	665,667	4,947,872	9,460
Total	<u>4,753,691</u>	<u>665,667</u>	<u>4,947,872</u>	<u>471,486</u>
Capital assets, being depreciated				
Land improvements	122,047	-	-	122,047
Building & improvements	7,034,455	5,021,781	197,488	11,858,748
Furniture & equipment	760,077	4,850	-	764,927
Total	<u>7,916,579</u>	<u>5,026,631</u>	<u>197,488</u>	<u>12,745,722</u>
Accumulated depreciation				
Land improvements	92,891	5,299	-	98,190
Building & improvements	3,351,369	271,282	126,283	3,496,368
Furniture & equipment	488,249	50,244	-	538,493
Total	<u>3,932,509</u>	<u>326,825</u>	<u>126,283</u>	<u>4,133,051</u>
Total capital assets, being depreciated, net	<u>3,984,070</u>	<u>4,699,806</u>	<u>71,205</u>	<u>8,612,671</u>
Transfers	-	(4,947,872)	(4,947,872)	-
Governmental activities capital assets, net	<u>\$ 8,737,761</u>	<u>\$ 417,601</u>	<u>\$ 71,205</u>	<u>\$ 9,084,157</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 48,438	\$ -	\$ -	\$ 48,438
Less: accumulated depreciation	26,925	2,643	-	29,568
Business type activities capital assets, net	<u>\$ 21,513</u>	<u>\$ (2,643)</u>	<u>\$ -</u>	<u>\$ 18,870</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction			
Regular		\$	162,387
Special education			44,145
Other special instruction			5,685
Other instruction			4,433
Support services			
Student & instruction			62,660
General & business administration			29,235
School administration			9,582
Plant maintenance			8,698
Total depreciation expense, governmental activities		\$	<u>326,825</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds payable	\$ 3,205,000	\$ -	\$ 130,000	\$ 3,075,000	\$ 135,000
Compensated absences payable	359,280	52,486	-	411,766	-
PERS net pension liability	<u>2,093,031</u>	<u>-</u>	<u>292,730</u>	<u>1,800,301</u>	<u>-</u>
Total governmental activities long-term liabilities	<u>\$ 5,657,311</u>	<u>\$ 52,486</u>	<u>\$ 422,730</u>	<u>\$ 5,287,067</u>	<u>\$ 135,000</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments are listed as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 135,000	\$ 86,250	\$ 221,250
2022	140,000	83,550	223,550
2023	140,000	80,750	220,750
2024	145,000	77,950	222,950
2025	145,000	75,050	220,050
Thereafter	2,370,000	541,469	2,911,469
Total	<u>\$ 3,075,000</u>	<u>\$ 945,019</u>	<u>\$ 4,020,019</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2020, with their outstanding balances are comprised of the following individual issues:

\$3,315,000 - 2018 refunding general obligation bonds, due in annual installments of \$110,000 to \$220,000, beginning January 15, 2019, through January 15, 2038, interest at 2.00% to 3.125%. \$ 3,075,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2020 is \$22,505,997. General obligation debt at June 30, 2020 is \$3,075,000 bonds issued, resulting in a legal debt margin of \$19,430,997.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

A. Public employees' retirement systems (PERS)

Plan description

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

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 10 years of service.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
A. Public employees' retirement systems (PERS) (continued)
Plan description (continued)

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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 before age 62 with 25 or more years of service credit 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.

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2019 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2019 measurement date.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For State fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

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

The District's contractually required contribution rate for the year ended June 30, 2020 was 12.27% of the 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.

The contribution rate was 7.50% of base salary effective July 1, 2018.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2019:

Net pension liability	\$ 1,800,301
Proportionate share	0.0099914112%

Plan fiduciary net position as a percentage of the total pension liability	56.27%
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The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based on years of service)	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%

Investment rate of return	7.00%
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Preretirement mortality rates were based on the Pub-10 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate (continued)

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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of the measurement date, June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's Proportionate Share of the Net Pension Liability

At current discount rate (6.28%)	\$ 1,800,301
At a 1% lower rate (5.28%)	2,289,892
At a 1% higher rate (7.28%)	1,410,828

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2019, measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,313	\$ 7,953
Changes of assumptions	179,767	624,879
Net difference between projected and actual earnings on pension plan investments	-	28,418
Changes in proportion and differences between District contributions and proportionate share of contributions	49,141	127,036
District contributions subsequent to the measurement date	97,187	-
Total	<u>\$ 358,408</u>	<u>\$ 788,286</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2020, the plan measurement date is June 30, 2019) of \$97,187 will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2019 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 39,914	\$ (7,601)	\$ 32,313
Changes of assumptions	344,897	(165,130)	179,767
Deferred inflows of resources			
Differences between expected and actual experience	(10,792)	2,839	(7,953)
Changes of assumptions	(669,240)	44,361	(624,879)
Differences between projected and actual investment earnings on pension plan investments	(19,633)	(8,785)	(28,418)
Net of deferred outflows	\$ (314,854)	\$ (134,316)	\$ (449,170)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2020	\$ (51,984)
2021	(168,637)
2022	(150,583)
2023	(70,706)
2024	(7,260)
Total	\$ (449,170)

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

Pension expense

For the fiscal year ended June 30, 2020, the District recognized net pension expense of \$85,056, which represents the District's proportionate share of allocable plan pension expense of \$83,465, less the net amortization of deferred amounts from changes in proportion of \$6,958, and plus other adjustments to the net pension liability of \$8,549. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2019 measurement date are as follows:

Service cost	\$	69,336
Interest on total pension liability		205,505
Member contributions		(47,757)
Administrative expense		1,265
Expected investment return net of investment expense		(127,514)
Pension expense related to specific liabilities of individual employers		(597)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		15,472
Amortization of expected versus actual experience		(47,288)
Amortization of projected versus actual investment earnings on pension plan investments		15,043
Pension expense	\$	83,465

B. Teacher's pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Plan description (continued)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ended June 30, 2019, the State of New Jersey contributed \$679,211 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2019 measurement date is as follows:

Total pension liability	\$ 28,380,252
Plan fiduciary net position	7,648,668
Net pension liability	\$ 20,731,584
 Proportionate share	 0.033780781%
 Plan fiduciary net position as a percentage of the total pension liability	 26.95%

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Actuarial assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial study for the period July 1, 2015 to June 30, 2018.

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 measurement date are summarized in the following table:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Collective net pension liability and actuarial information (continued)
Long-term expected rate of return (continued)

Asset Class	Target Allocations	Long-Term Expected Rate of Return
Risk mitigation strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2019 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's Proportionate Share of the Net Pension Liability

At current discount rate (5.60%)	\$ 20,731,584
At a 1% lower rate (4.60%)	24,447,126
At a 1% higher rate (6.60%)	17,648,857

Pension expense

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ended June 30, 2019 measurement date are as follows:

Service cost	\$ 634,250
Interest on total pension liability	1,415,939
Member contributions	(285,153)
Administrative expense	4,692
Expected investment return net of investment expense	(519,943)
Pension expense related to specific liabilities of individual employers	(101)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	60,062
Amortization of expected versus actual experience	(201,075)
Amortization of projected versus actual investment earnings on pension plan investments	114,133
Pension expense	<u>\$ 1,222,804</u>

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2020) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2020 was \$2,694.

D. Other pension plan information

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$277,322 to the TPAF for postretirement medical benefits, \$13,163 for non-contributory insurance premiums, \$393 for long-term disability insurance, and \$734,372 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$262,370 during the fiscal year ended June 30, 2020 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement 68.

Note 7 - Postretirement benefits

The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provision of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of PERS and Alternative Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents. In fiscal year 2019, the State paid PRM benefits for 153,893 State and local retirees.

The State funds postretirement medical benefits on a pay-as-you-go basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For fiscal year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have remained consistent with fiscal year 2019 amounts. The State has appropriated 1.612 billion in fiscal year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2019 total State OPEB liability to provide these benefits is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in fiscal year 2018.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Total OPEB liability

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

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2019 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 41,729,081,405
District's proportionate share of the State's OPEB liability	16,317,729
Employer OPEB expense and related revenue	283,022

Allocable proportionate percentage	0.0391039740%
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EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2018	\$ 17,278,116
Service cost	553,709
Interest cost	680,776
Change of benefit terms	-
Differences between expected and actual experiences	(1,952,113)
Changes of assumptions	243,299
Member contributions	14,848
Gross benefit payments	(500,906)
Total OPEB liability at June 30, 2019	\$ 16,317,729

There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

The total non-employer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases		
Through 2026	1.55% - 3.05%	2.00% - 6.00%
Thereafter	1.55% - 3.05%	3.00% - 7.00%

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount rate

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2019 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (3.50%)	\$ 16,317,729
At a 1% lower rate (2.50%)	19,277,686
At a 1% higher rate (4.50%)	13,966,501

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Total OPEB Liability (school retirees)

Healthcare cost trend rate	\$	16,317,729
At a 1% lower rate (1% decrease)		13,445,081
At a 1% higher rate (1% increase)		20,120,525

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$283,022 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). 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:

- Equitable
- Variable Annuity Life Insurance Co.
- Lincoln Investment Planning
- Great American Insurance Group
- Metropolitan Life

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2020 is as follows:

	Receivable	Payable
General fund	\$ 600	\$ -
Payroll agency fund	-	9,164
Unemployment compensation fund	8,564	-
	\$ 9,164	\$ 9,164

The balance due from the payroll agency of \$600 to the general fund represent loans for cash flow purposes. The balance due from payroll agency to unemployment of \$8,564 represents withholdings not yet transferred as of year-end.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2020 consisted of the following:

Food	\$	2,214
Supplies		580
Total		2,794

Note 11 - Operating lease

At June 30, 2020, the District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

2021	\$	19,044
2022		19,044
2023		4,906
Total		42,994

Note 12 - Contingent liabilities

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in 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 District expects such amount, if any, to be immaterial.

Note 13 - Risk management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Risk management (continued)

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

Fiscal year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance
2019 - 2020	\$ -	\$ 666	\$ 7,870	\$ -	\$ 183,473
2018 - 2019	-	787	7,825	50	174,937
2017 - 2018	-	779	7,621	13	166,375

Note 14 - Reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C.6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$554,340 to their capital reserve account and \$103,660 to their maintenance reserve account by Board Resolution in June 2020 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,629,437	\$ 554,340	\$ -	\$ -	\$ 664,000	\$ 1,519,777
Emergency	75,300	-	-	-	-	75,300
Maintenance	300,000	103,660	-	-	-	403,660
Total	<u>\$ 2,004,737</u>	<u>\$ 658,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,000</u>	<u>\$ 1,998,737</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Fund balance- general fund

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2020 is as follows:

Restricted

Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 95,905
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets.	109,933
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	1,519,777
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	75,300
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	403,660

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	90,197
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	293,840
Total fund balance - Budgetary basis (Exhibit C-1)	2,588,612
Last state aid payments not recognized on GAAP basis	(87,305)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 2,501,307

Note 16 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve 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. The excess fund balance at June 30, 2020 is \$109,933.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2020 of (\$2,178,906) on Schedule A-1 Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 18 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This statement is effective for reporting periods beginning after June 15, 2021 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement is effective for reporting periods beginning after December 15, 2019 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.

Note 19 - Risks and uncertainties

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (The "COVID-19 outbreak") and the risks to the international community as a virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations.

Note 20 - Subsequent events

The District has evaluated subsequent events through January 8, 2021, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

BUDGETARY COMPARISON SCHEDULES

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 7,063,298	\$ -	\$ 7,063,298	\$ 7,063,298	\$ -
Tuition from individuals	132,000	-	132,000	119,745	(12,255)
Tuition from other LEAs within the state	25,000	-	25,000	62,729	37,729
Rents and royalties	6,000	-	6,000	4,264	(1,736)
Unrestricted miscellaneous revenues	8,500	-	8,500	26,782	18,282
Interest earned on capital reserve funds	2,500	-	2,500	-	(2,500)
Total	7,237,298	-	7,237,298	7,276,818	39,520
State sources					
School choice aid	327,024	-	327,024	327,024	-
Categorical transportation aid	181,957	-	181,957	181,957	-
Extraordinary aid	-	-	-	43,840	43,840
Categorical special education aid	280,435	-	280,435	280,435	-
Categorical security aid	37,939	-	37,939	37,939	-
Adjustment aid	46,879	-	46,879	46,879	-
TPAF Pension (on-behalf)	-	-	-	747,535	747,535
TPAF Social Security (reimbursed)	-	-	-	262,370	262,370
TPAF Postretirement benefits	-	-	-	277,322	277,322
TPAF Long-term disability insurance	-	-	-	393	393
Total	874,234	-	874,234	2,205,694	1,331,460
Total revenues	\$ 8,111,532	\$ -	\$ 8,111,532	\$ 9,482,512	\$ 1,370,980
Expenditures					
Current					
Instruction - regular program					
Salaries of teachers					
Preschool	\$ 196,040	\$ 7,559	\$ 203,599	\$ 203,599	\$ -
Kindergarten	216,590	(11,174)	205,416	161,705	43,711
Grades 1-5	1,148,812	-	1,148,812	1,122,867	25,945
Grades 6-8	971,576	(400)	971,176	963,495	7,681
Home instruction					
Salaries of teacher	1,200	(1,200)	-	-	-
Purchased technical services	-	3,317	3,317	3,317	-
Other purchased services	150	(102)	48	-	48
Regular programs - undistributed instruction					
Other salaries for instruction	17,950	1,074	19,024	19,024	-
Purchased professional - educational services	500	-	500	-	500
Purchased technical services	26,403	(1,915)	24,488	22,432	2,056
Other purchased services	65,670	(3,218)	62,452	53,176	9,276
General supplies	156,678	12,843	169,521	145,393	24,128
Other objects	19,201	(1,527)	17,674	11,566	6,108
Total	2,820,770	5,257	2,826,027	2,706,574	119,453

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Special education					
Resource room/resource center					
Salaries of teachers	\$ 499,428	\$ (2,145)	\$ 497,283	\$ 482,895	\$ 14,388
Other salaries for instruction	179,610	-	179,610	152,864	26,746
Other purchased services	3,750	(900)	2,850	-	2,850
General supplies	11,190	-	11,190	9,202	1,988
Other objects	3,000	-	3,000	2,025	975
Total	<u>696,978</u>	<u>(3,045)</u>	<u>693,933</u>	<u>646,986</u>	<u>46,947</u>
Total special education	<u>696,978</u>	<u>(3,045)</u>	<u>693,933</u>	<u>646,986</u>	<u>46,947</u>
Basic skills/remedial					
Salaries of teachers	74,072	2,145	76,217	75,567	650
Other purchased services	225	-	225	-	225
General supplies	900	-	900	325	575
Total	<u>75,197</u>	<u>2,145</u>	<u>77,342</u>	<u>75,892</u>	<u>1,450</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	44,100	-	44,100	37,300	6,800
Purchased services	500	-	500	-	500
Supplies and materials	2,900	-	2,900	343	2,557
Other objects	450	-	450	-	450
Total	<u>47,950</u>	<u>-</u>	<u>47,950</u>	<u>37,643</u>	<u>10,307</u>
School-sponsored athletics - instruction					
Salaries	33,500	258	33,758	33,319	439
Purchased services	4,340	150	4,490	2,010	2,480
Supplies and materials	6,000	(408)	5,592	1,628	3,964
Other objects	500	-	500	-	500
Total	<u>44,340</u>	<u>-</u>	<u>44,340</u>	<u>36,957</u>	<u>7,383</u>
Total instruction regular	<u>\$ 3,685,235</u>	<u>\$ 4,357</u>	<u>\$ 3,689,592</u>	<u>\$ 3,504,052</u>	<u>\$ 185,540</u>
Undistributed expenditures					
Undistributed expenditures - health services					
Salaries	\$ 99,415	\$ (2,000)	\$ 97,415	\$ 94,033	\$ 3,382
Purchased professional and technical services	13,363	(354)	13,009	11,181	1,828
Other purchased services	580	-	580	217	363
Supplies and materials	5,036	545	5,581	5,431	150
Other objects	175	9	184	184	-
Total	<u>118,569</u>	<u>(1,800)</u>	<u>116,769</u>	<u>111,046</u>	<u>5,723</u>
Undistributed expenditures - speech/ot/pt and related services					
Salaries	89,674	(20,000)	69,674	68,001	1,673
Unused vacation payment to terminated/retired staff	300	(300)	-	-	-
Purchased professional - educational services	64,000	26,687	90,687	72,420	18,267
Supplies and materials	750	-	750	511	239
Other objects	-	300	300	279	21
Total	<u>154,724</u>	<u>6,687</u>	<u>161,411</u>	<u>141,211</u>	<u>20,200</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - other supp. service stds. - extra service					
Salaries	\$ 29,078	\$ (1,688)	\$ 27,390	\$ 27,390	\$ -
Purchased professional - educational services	2,000	6,400	8,400	4,616	3,784
Supplies and materials	750	(750)	-	-	-
Total	31,828	3,962	35,790	32,006	3,784
Undistributed expenditures - guidance					
Salaries of other professional staff	99,794	-	99,794	99,794	-
Other purchased services	2,800	(327)	2,473	220	2,253
Supplies and materials	5,853	289	6,142	6,142	-
Other objects	150	(150)	-	-	-
Total	108,597	(188)	108,409	106,156	2,253
Undistributed expenditures - child study teams					
Salaries of other professional staff	237,215	(20)	237,195	228,341	8,854
Salaries of secretarial and clerical assistants	39,348	20	39,368	39,368	-
Other salaries	23,849	-	23,849	23,849	-
Purchased professional - educational services	3,525	(9)	3,516	2,325	1,191
Other purchased professional and technical services	8,575	201	8,776	8,776	-
Other purchased services	3,238	(768)	2,470	2,470	-
Supplies and materials	3,414	1,372	4,786	4,736	50
Total	319,164	796	319,960	309,865	10,095
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	7,100	-	7,100	7,056	44
Salaries of secretarial and clerical assist	2,843	-	2,843	2,843	-
Other salaries	73,151	-	73,151	68,173	4,978
Other purchased services	1,566	123	1,689	1,689	-
Supplies and materials	500	(122)	378	-	378
Other objects	1,395	(1)	1,394	1,394	-
Total	86,555	-	86,555	81,155	5,400
Undistributed expenditures - edu. media service/sch. library					
Salaries	93,547	141	93,688	93,388	300
Salaries of technology coordinators	93,503	1,506	95,009	95,009	-
Purchased professional and technical services	58,500	(2,254)	56,246	39,767	16,479
Other purchased services	3,500	-	3,500	1,931	1,569
Supplies and materials	16,845	-	16,845	7,698	9,147
Other objects	105	-	105	-	105
Total	266,000	(607)	265,393	237,793	27,600
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	2,500	-	2,500	680	1,820
Other purchased services	8,000	-	8,000	3,713	4,287
Supplies and materials	1,000	-	1,000	-	1,000
Other objects	100	-	100	85	15
Total	11,600	-	11,600	4,478	7,122

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - support service - general admin.					
Salaries	\$ 225,742	\$ (792)	\$ 224,950	\$ 224,102	\$ 848
Legal services	9,000	(65)	8,935	8,935	-
Audit fees	17,025	-	17,025	17,025	-
Architectural/engineering services	3,200	3,300	6,500	6,313	187
Other purchased professional services	-	7,815	7,815	7,815	-
Communications/telephone	14,159	1,354	15,513	15,498	15
BOE other purchased services	2,300	193	2,493	2,493	-
Miscellaneous purchased services	19,074	(1,867)	17,207	17,207	-
General supplies	3,000	(297)	2,703	2,703	-
BOE in-house training/meeting supplies	200	(54)	146	146	-
Miscellaneous expenditures	500	(425)	75	75	-
BOE membership dues and fees	4,300	(63)	4,237	4,237	-
Total	298,500	9,099	307,599	306,549	1,050
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	102,412	-	102,412	102,412	-
Salaries of secretarial and clerical assistants	49,365	(1,263)	48,102	48,101	1
Other purchased services	3,156	245	3,401	3,105	296
Supplies and materials	3,000	(732)	2,268	1,549	719
Other objects	2,035	(245)	1,790	1,156	634
Total	159,968	(1,995)	157,973	156,323	1,650
Undistributed expenditures - central services					
Salaries	71,355	855	72,210	72,210	-
Purchased professional services	104,995	5,417	110,412	110,412	-
Miscellaneous purchased services	1,370	231	1,601	1,601	-
Supplies and materials	750	(266)	484	484	-
Other objects	1,060	(316)	744	744	-
Total	179,530	5,921	185,451	185,451	-
Undistributed expenditures - admin. info. technology					
Purchased professional services	-	4,940	4,940	4,940	-
Purchased technical services	4,940	(4,940)	-	-	-
Total	4,940	-	4,940	4,940	-
Undistributed expenditures - req. maint. for school facilities					
Salaries	47,614	-	47,614	47,579	35
Cleaning, repair, and maintenance services	57,212	(16,000)	41,212	18,090	23,122
General supplies	1,500	-	1,500	-	1,500
Other objects	-	2,745	2,745	2,745	-
Total	106,326	(13,255)	93,071	68,414	24,657

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 228,754	\$ 13,254	\$ 242,008	\$ 242,008	\$ -
Purchased professional and technical services	27,425	(2)	27,423	26,260	1,163
Cleaning, repair, and maintenance service	24,500	(4,225)	20,275	16,612	3,663
Insurance	30,035	9,676	39,711	39,423	288
Miscellaneous purchased services	500	-	500	500	-
General supplies	44,275	16,398	60,673	42,868	17,805
Energy (natural gas)	50,000	(18,164)	31,836	31,706	130
Energy (electricity)	96,000	(20,781)	75,219	58,682	16,537
Other objects	1,800	297	2,097	2,097	-
Total	503,289	(3,547)	499,742	460,156	39,586
Undistributed expenditures - care and upkeep of grounds					
Salaries	72,620	2,218	74,838	74,838	-
Purchased professional and technical services	4,000	(2,668)	1,332	408	924
Cleaning, repair, and maintenance service	6,500	-	6,500	244	6,256
General supplies	9,500	450	9,950	9,950	-
Other objects	1,000	-	1,000	-	1,000
Total	93,620	-	93,620	85,440	8,180
Undistributed expenditures - security					
Purchased professional and technical services	10,750	2,800	13,550	11,403	2,147
Cleaning, repair, and maintenance service	3,500	-	3,500	1,605	1,895
General supplies	3,000	-	3,000	522	2,478
Other objects	1,000	-	1,000	174	826
Total	18,250	2,800	21,050	13,704	7,346
Undistributed expenditures - student trans. service					
Salaries for pupil trans. (between home & school) - reg.	10,792	-	10,792	10,792	-
Contract service-aid in lieu pymts - non-public schools	7,000	-	7,000	3,046	3,954
Contract service-aid in lieu pymts-choice school students	5,000	(1,667)	3,333	1,334	1,999
Contract service (oth. than between home & school) - vend.	25,000	(2,090)	22,910	15,882	7,028
Contract service (between home & school) - joint agreements	430,000	3,202	433,202	418,291	14,911
Total	477,792	(555)	477,237	449,345	27,892

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Expenditures (cont'd)					
Unallocated benefits - employee benefits					
Social Security contributions	\$ 102,314	\$ 15,000	\$ 117,314	\$ 98,965	\$ 18,349
Other retirement contributions - PERS	118,000	(16,549)	101,451	97,502	3,949
Other retirement contributions - ERIP	4,000	-	4,000	2,694	1,306
Workmen's compensation	44,312	-	44,312	44,133	179
Health benefits	1,234,312	-	1,234,312	1,049,580	184,732
Tuition reimbursement	34,490	-	34,490	29,813	4,677
Other employee benefits	59,370	-	59,370	54,447	4,923
Total	1,596,798	(1,549)	1,595,249	1,377,134	218,115
On-behalf TPAF Pension contribution	-	-	-	747,535	(747,535)
On-behalf TPAF Postretirement medical benefits	-	-	-	277,322	(277,322)
On-behalf TPAF Long-term disability insurance	-	-	-	393	(393)
Reimbursed TPAF Social Security contribution	-	-	-	262,370	(262,370)
Total	-	-	-	1,287,620	(1,287,620)
Total undistributed expenditures	\$ 4,536,050	\$ 5,769	\$ 4,541,819	\$ 5,418,786	\$ (876,967)
Total current	\$ 8,221,285	\$ 10,126	\$ 8,231,411	\$ 8,922,838	\$ (691,427)
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 10,000	\$ (10,000)	\$ -	\$ -	\$ -
Undistributed expenditures - admin. info. technology	-	10,000	10,000	-	10,000
Undistributed expenditures - care and upkeep of grounds	-	4,850	4,850	4,850	-
Total equipment	10,000	4,850	14,850	4,850	10,000
Facilities acquisition and construction service					
Architectural/engineering services	48,013	14,500	62,513	29,007	33,506
Other purchased professional and technology services	50,314	40,500	90,814	13,314	77,500
Construction services	636,595	37,840	674,435	577,722	96,713
Assessment for debt service on SDA funding	1,183	-	1,183	1,183	-
Total facilities acquisition and construction service	736,105	92,840	828,945	621,226	207,719
Total capital outlay	\$ 746,105	\$ 97,690	\$ 843,795	\$ 626,076	\$ 217,719
Total expenditures	\$ 8,967,390	\$ 107,816	\$ 9,075,206	\$ 9,548,914	\$ (473,708)
Excess (deficiency) of revenues over (under) expenditures	\$ (855,858)	\$ (107,816)	\$ (963,674)	\$ (66,402)	\$ 897,272
Other financing sources (uses)					
Operating transfer out					
Transfer to food service fund - board contribution	(5,000)	-	(5,000)	-	5,000
Total other financing sources (uses)	(5,000)	-	(5,000)	-	5,000

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (860,858)	\$ (107,816)	\$ (968,674)	\$ (66,402)	\$ 902,272
Fund balances, July 1	2,655,014	-	2,655,014	2,655,014	-
Fund balances, June 30	<u>\$ 1,794,156</u>	<u>\$ (107,816)</u>	<u>\$ 1,686,340</u>	<u>\$ 2,588,612</u>	<u>\$ 902,272</u>
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (165,610)	\$ -	\$ (165,610)	\$ (165,610)	\$ -
Increase in capital reserve	-	554,340	554,340	554,340	-
Interest deposit to capital reserve	2,500	-	2,500	-	(2,500)
Withdrawal from capital reserve	(587,000)	(77,000)	(664,000)	(664,000)	-
Increase in maintenance reserve	-	103,660	103,660	103,660	-
Budgeted fund balance	(110,748)	(688,816)	(799,564)	105,208	904,772
Total	<u>\$ (860,858)</u>	<u>\$ (107,816)</u>	<u>\$ (968,674)</u>	<u>\$ (66,402)</u>	<u>\$ 902,272</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 95,905	
Excess surplus - current year				109,933	
Capital reserve				1,519,777	
Emergency reserve				75,300	
Maintenance reserve				403,660	
Committed fund balance					
Year-end encumbrances				90,197	
Unassigned fund balance				<u>293,840</u>	
Fund balance per budgetary basis				2,588,612	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(87,305)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 2,501,307</u>	

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Federal sources	\$ 178,089	\$ -	\$ 178,089	\$ 167,259	\$ (10,830)
Total revenues	<u>\$ 178,089</u>	<u>\$ -</u>	<u>\$ 178,089</u>	<u>\$ 167,259</u>	<u>\$ (10,830)</u>
Expenditures					
Instruction					
Salaries	\$ 113,769	\$ -	\$ 113,769	\$ 113,769	\$ -
Purchased professional and technical services	13,729	-	13,729	11,663	4,593
General supplies	2,066	-	2,066	1,736	4,593
Total	<u>129,564</u>	<u>-</u>	<u>129,564</u>	<u>127,168</u>	<u>9,186</u>
Support services					
Employee benefits	14,809	-	14,809	14,809	-
Purchased professional and technical services	22,579	-	22,579	25,282	(2,703)
Travel	4,593	-	4,593	-	4,593
General supplies	6,544	-	6,544	-	6,544
Total	<u>48,525</u>	<u>-</u>	<u>48,525</u>	<u>40,091</u>	<u>8,434</u>
Total expenditures	<u>\$ 178,089</u>	<u>\$ -</u>	<u>\$ 178,089</u>	<u>\$ 167,259</u>	<u>\$ 17,620</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2020

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 9,482,512	\$ 167,259
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
Outstanding encumbrances - prior year	-	5,543
Outstanding encumbrances - current year	-	(29)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expenses (GASB 33)		
State aid receivable prior year	87,495	-
State aid receivable current year	(87,305)	-
Total revenues (GAAP basis)	\$ 9,482,702	\$ 172,773
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 9,548,914	\$ 167,259
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances - prior year	-	5,543
Outstanding encumbrances - current year	-	(29)
Total expenditures (GAAP basis)	\$ 9,548,914	\$ 172,773

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68) (UNAUDITED)**

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.0099914112%	0.0106301900%	0.0106076987%	0.0105374274%	0.0102056245%	0.0093651566%	0.0101401554%	N/A	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 1,493,857	\$ 2,093,031	\$ 2,469,303	\$ 3,120,884	\$ 2,290,958	\$ 1,753,413	\$ 1,937,985	N/A	N/A
District's covered employee payroll	791,855	748,083	689,472	786,750	724,564	720,740	701,394	623,478	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	199.69%	303.57%	313.86%	430.73%	317.86%	249.99%	310.83%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A	N/A

N/A - Not Available

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 97,187	\$ 105,736	\$ 98,269	\$ 93,975	\$ 87,741	\$ 77,205	\$ 76,404	\$ 78,816	\$ 75,557	\$ 75,832
Contributions in relation to the contractually required contribution	(97,187)	(105,736)	(98,269)	(93,975)	(87,741)	(77,205)	(76,404)	(78,816)	(75,557)	(75,832)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 791,855	\$ 748,083	\$ 689,472	\$ 786,750	\$ 724,564	\$ 720,740	\$ 701,394	\$ 623,478	\$ 710,120	\$ 690,413
Contributions as a percentage of covered employee payroll	12.27%	14.13%	14.25%	11.94%	12.11%	10.71%	10.89%	12.64%	10.64%	10.98%

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	20,731,584	21,876,597	24,247,579	27,881,315	23,419,537	19,825,900	19,015,161	N/A	N/A
Total	\$ -	\$ 20,731,584	\$ 21,876,597	\$ 24,247,579	\$ 27,881,315	\$ 23,419,537	\$ 19,825,900	\$ 19,015,161	\$ -	\$ -
District's covered employee payroll	\$ 3,707,569	\$ 3,640,029	\$ 3,555,516	\$ 3,594,070	\$ 3,594,916	\$ 3,698,702	\$ 3,598,130	\$ 3,671,307	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	N/A

N/A - Not Available

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 679,211	\$ 678,294	\$ 518,696	\$ 404,513	\$ 283,767	\$ 200,326	\$ 156,927	\$ 243,115	\$ 124,207	\$ 11,458
Contributions in relation to the contractually required contribution	(679,211)	(678,294)	(518,696)	(404,513)	(283,767)	(200,326)	(156,927)	(243,115)	(124,207)	(11,458)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,707,569	\$ 3,640,029	\$ 3,555,516	\$ 3,594,070	\$ 3,594,916	\$ 3,698,702	\$ 3,598,130	\$ 3,671,307	\$ 3,656,942	\$ 3,613,955
Contributions as a percentage of covered employee payroll	18.32%	18.63%	14.59%	11.26%	7.89%	5.42%	4.36%	6.62%	3.40%	0.32%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated with the District	N/A	16,317,729	17,278,116	20,862,672	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 16,317,729	\$ 17,278,116	\$ 20,862,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 4,388,112	\$ 4,244,988	\$ 4,380,820	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total other post employment employee benefits liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2020

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 4.86% in State fiscal year 2018 and 5.60% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal years 2018 and 2.75% in State fiscal year 2019.
- Note 3 - Changes in assumptions - PERS
The discount rate was 5.66% in State fiscal year 2018 and 6.28% in State fiscal year 2019. The inflation rate was 2.25% for State fiscal year 2018 and 2.75% for State fiscal year 2019.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate decreased from 3.87% in State fiscal year 2018 to 3.50% in State fiscal year 2019. The inflation rate was 2.50% for State fiscal year 2018 and 2019.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For Pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 - Changes in benefit term assumptions - other postretirement employee benefits
There were no changes of the benefit terms from June 30, 2018 to June 30, 2019.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

	IDEA Basic	IDEA Preschool	ESSA Title IA	ESSA Title IIA	ESSA Title IV	Small, Rural School Achievement	Local Grants	Total
Revenues								
Federal sources	\$ 89,720	\$ 6,219	\$ 19,774	\$ 5,357	\$ 7,346	\$ 37,466	\$ 1,377	\$ 167,259
Total revenues	\$ 89,720	\$ 6,219	\$ 19,774	\$ 5,357	\$ 7,346	\$ 37,466	\$ 1,377	\$ 167,259
Expenditures								
Instruction								
Salaries	\$ 83,344	\$ 5,777	\$ 14,648	\$ -	\$ -	\$ 10,000	\$ -	\$ 113,769
Purchased professional and technical services	-	-	-	-	-	11,663	-	11,663
General supplies	-	-	-	-	-	359	1,377	1,736
Total	83,344	5,777	14,648	-	-	22,022	1,377	127,168
Support services								
Employee benefits	6,376	442	5,126	-	-	2,865	-	14,809
Purchased professional and technical services	-	-	-	5,357	7,346	12,579	-	25,282
Total	6,376	442	5,126	5,357	7,346	15,444	-	40,091
Total expenditures	\$ 89,720	\$ 6,219	\$ 19,774	\$ 5,357	\$ 7,346	\$ 37,466	\$ 1,377	\$ 167,259

See independent auditors' report.

CAPITAL PROJECTS FUND

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2020

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/20
			Prior Years	Current Year	
Trailer replacement, permanent facilities, and bathroom renovations project	5/16/17	\$ 4,258,261	\$ 4,134,307	\$ 119,534	\$ 4,420
		<u>\$ 4,258,261</u>	<u>\$ 4,134,307</u>	<u>\$ 119,534</u>	<u>\$ 4,420</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Net Position - Budgetary Basis
For the Fiscal Year Ended June 30, 2020

Expenditures and other financing uses	
Construction services	\$ 119,534
Total expenditures	<u>119,534</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 (119,534)
Net position - beginning	<u>139,916</u>
Net position - ending	<u><u>\$ 20,382</u></u>
Analysis of balance	
Capital project fund balance	\$ 4,420
Interest earnings	<u>15,962</u>
	<u><u>\$ 20,382</u></u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Trailer Replacement, Permanent Facilities, and Bathroom Renovations Project
For the Fiscal Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfers from other funds	\$ 943,261	\$ -	\$ 943,261	\$ 943,261
Bond proceeds	3,315,000	-	3,315,000	3,315,000
Total revenues	<u>4,258,261</u>	<u>-</u>	<u>4,258,261</u>	<u>4,258,261</u>
Expenditures and other financing uses				
Purchased professional and technical services	369,204	-	369,204	369,204
Fees and permits	12,059	-	12,059	33,860
Construction services	3,691,963	119,534	3,811,497	3,470,307
Construction contingency	-	-	-	314,890
Other purchased services	61,081	-	61,081	70,000
Total expenditures	<u>4,134,307</u>	<u>119,534</u>	<u>4,253,841</u>	<u>4,258,261</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 123,954</u>	<u>\$ (119,534)</u>	<u>\$ 4,420</u>	<u>\$ -</u>

Additional Project Information

Project number	1160-050-16-1000
Project authorization date	5/16/2017
Bonds authorized	1/24/2017
Bonds issued	\$ 3,315,000
Original authorized cost	3,815,000
Additional authorized cost	443,261
Revised authorized cost	4,258,261
Percentage completion	99.90%

See independent auditors' report.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2020

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 174,909	\$ 29,240	\$ 48,876	\$ 253,025
Due from other funds	8,564	-	-	8,564
Total assets	<u>\$ 183,473</u>	<u>\$ 29,240</u>	<u>\$ 48,876</u>	<u>\$ 261,589</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ 9,164	\$ 9,164
Due to students groups	-	29,240	-	29,240
Payroll deductions and withholdings	-	-	39,712	39,712
Total liabilities	<u>-</u>	<u>\$ 29,240</u>	<u>\$ 48,876</u>	<u>78,116</u>
Net position				
Held in trust for unemployment claims and other purposes	<u>\$ 183,473</u>			<u>\$ 183,473</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 7,870
Investment earnings - interest	<u>666</u>
Total additions	8,536
 Change in net position	 8,536
 Net position, beginning of the year	 <u>174,937</u>
 Net position, end of the year	 <u><u>\$ 183,473</u></u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents	\$ 35,042	\$ 38,104	\$ 43,906	\$ 29,240
Total assets	<u>\$ 35,042</u>	<u>\$ 38,104</u>	<u>\$ 43,906</u>	<u>\$ 29,240</u>
Liabilities				
Due to student groups	\$ 35,042	\$ 38,104	\$ 43,906	\$ 29,240
Total liabilities	<u>\$ 35,042</u>	<u>\$ 38,104</u>	<u>\$ 43,906</u>	<u>\$ 29,240</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2020

	Balance 07/01/19	Additions	Reductions	Balance 06/30/20
Assets				
Cash and cash equivalents	\$ 55,451	\$ 5,589,096	\$ 5,595,671	\$ 48,876
Total assets	\$ 55,451	\$ 5,589,096	\$ 5,595,671	\$ 48,876
Liabilities				
Due to other funds	\$ 17,292	\$ 7,870	\$ 15,998	\$ 9,164
Payroll deductions and withholdings	38,159	2,503,033	2,501,480	39,712
Net payroll	-	3,078,193	3,078,193	-
Total liabilities	\$ 55,451	\$ 5,589,096	\$ 5,595,671	\$ 48,876

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/19	Issued	Retired	Balance 06/30/20
			Date	Amount					
Series 2017 school bond	08/09/17	\$ 3,315,000	1/15/21	\$ 135,000	2.00%	\$ 3,205,000	\$ -	\$ 130,000	\$ 3,075,000
			1/15/22	140,000	2.00%	-	-	-	-
			1/15/23	140,000	2.00%	-	-	-	-
			1/15/24	145,000	2.00%	-	-	-	-
			1/15/25	145,000	2.00%	-	-	-	-
			1/15/26	150,000	3.00%	-	-	-	-
			1/15/27	155,000	3.00%	-	-	-	-
			1/15/28	160,000	3.00%	-	-	-	-
			1/15/29	165,000	3.00%	-	-	-	-
			1/15/30	170,000	3.00%	-	-	-	-
			1/15/31	175,000	3.00%	-	-	-	-
			1/15/32	180,000	3.00%	-	-	-	-
			1/15/33	185,000	3.00%	-	-	-	-
			1/15/34	190,000	3.00%	-	-	-	-
			1/15/35	200,000	3.13%	-	-	-	-
			1/15/36	205,000	3.13%	-	-	-	-
			1/15/37	215,000	3.13%	-	-	-	-
			1/15/38	220,000	3.13%	-	-	-	-
						<u>\$ 3,205,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 3,075,000</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2020

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 194,025	\$ -	\$ 194,025	\$ 194,025	\$ -
State sources					
Debt service aid	24,825	-	24,825	24,825	-
Total revenues	<u>218,850</u>	<u>-</u>	<u>218,850</u>	<u>218,850</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	130,000	-	130,000	130,000	-
Interest	88,850	-	88,850	88,850	-
Total expenditures	<u>218,850</u>	<u>-</u>	<u>218,850</u>	<u>218,850</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Government activities										
Net investment in capital assets	\$ 1,712,902	\$ 1,896,570	\$ 1,982,622	\$ 2,258,242	\$ 2,921,483	\$ 3,875,104	\$ 4,766,360	\$ 3,678,801	\$ 5,532,761	\$ 6,009,157
Restricted	445,477	595,954	1,081,120	1,481,079	2,036,753	1,221,498	1,600,367	3,665,609	2,144,653	2,019,119
Unrestricted	173,225	230,515	96,682	(1,717,749)	(1,823,635)	(1,459,906)	(2,084,338)	(2,244,584)	(2,079,533)	(2,178,906)
Total governmental activities	<u>\$ 2,331,604</u>	<u>\$ 2,723,039</u>	<u>\$ 3,160,424</u>	<u>\$ 2,021,572</u>	<u>\$ 3,134,601</u>	<u>\$ 3,636,696</u>	<u>\$ 4,282,389</u>	<u>\$ 5,099,826</u>	<u>\$ 5,597,881</u>	<u>\$ 5,849,370</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ 4,920	\$ 4,473	\$ 4,026	\$ 15,582	\$ 14,118	\$ 12,655	\$ 24,156	\$ 21,513	\$ 18,870
Unrestricted	1,990	1,558	2,175	2,771	9,384	8,943	9,488	6,193	10,483	18,131
Total business-type activities	<u>\$ 1,990</u>	<u>\$ 6,478</u>	<u>\$ 6,648</u>	<u>\$ 6,797</u>	<u>\$ 24,966</u>	<u>\$ 23,061</u>	<u>\$ 22,143</u>	<u>\$ 30,349</u>	<u>\$ 31,996</u>	<u>\$ 37,001</u>
District-wide										
Net investment in capital assets	\$ 1,712,902	\$ 1,901,490	\$ 1,987,095	\$ 2,262,268	\$ 2,937,065	\$ 3,889,222	\$ 4,779,015	\$ 3,702,957	\$ 5,554,274	\$ 6,028,027
Restricted	445,477	595,954	1,081,120	1,481,079	2,036,753	1,221,498	1,600,367	3,665,609	2,144,653	2,019,119
Unrestricted	175,215	232,073	98,857	(1,714,978)	(1,814,251)	(1,450,963)	(2,074,850)	(2,238,391)	(2,069,050)	(2,160,775)
Total district-wide	<u>\$ 2,333,594</u>	<u>\$ 2,729,517</u>	<u>\$ 3,167,072</u>	<u>\$ 2,028,369</u>	<u>\$ 3,159,567</u>	<u>\$ 3,659,757</u>	<u>\$ 4,304,532</u>	<u>\$ 5,130,175</u>	<u>\$ 5,629,877</u>	<u>\$ 5,886,371</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,533,207	\$ 3,612,534	\$ 3,738,010	\$ 3,601,495	\$ 4,392,107	\$ 4,037,150	\$ 4,808,627	\$ 4,962,362	\$ 5,045,841	\$ 5,187,463
Special education	1,049,760	1,118,298	1,060,684	953,478	1,112,211	1,289,730	1,397,812	1,489,674	1,334,468	1,290,557
Other special education	132,092	90,503	92,562	69,602	127,513	111,261	151,606	305,990	255,082	226,090
Other instruction	77,259	78,738	84,510	114,741	91,954	85,519	99,215	333,204	205,967	295,592
Support services										
Tuition	68,876	36,000	41,300	41,300	75,555	71,253	115,341	324	-	-
Student & instruction related services	945,907	1,057,024	1,113,104	1,214,838	1,524,577	1,716,823	1,819,222	1,812,937	1,775,661	1,834,648
General & business administrative services	573,240	651,502	606,134	621,351	641,568	826,490	761,492	843,999	637,688	670,296
School administration	242,512	225,723	235,065	235,075	247,784	303,504	289,866	315,213	263,499	267,834
Plant operations & maintenance	692,903	715,130	797,049	777,315	737,910	1,252,073	1,096,369	1,083,689	821,357	743,580
Pupil transportation	420,495	408,958	382,429	386,857	408,896	444,932	459,972	427,123	455,647	452,556
Interest on long-term debt	59,390	53,346	42,039	40,688	29,226	20,768	12,135	80,664	90,273	88,841
Total governmental activities expenses	<u>7,795,641</u>	<u>8,047,756</u>	<u>8,192,886</u>	<u>8,056,740</u>	<u>9,389,301</u>	<u>10,159,503</u>	<u>11,011,657</u>	<u>11,655,179</u>	<u>10,885,483</u>	<u>11,057,457</u>
Business-type activities										
Food service	142,249	143,133	138,443	108,591	109,014	104,583	92,087	96,360	99,751	81,442
Total business-type activities	<u>142,249</u>	<u>143,133</u>	<u>138,443</u>	<u>108,591</u>	<u>109,014</u>	<u>104,583</u>	<u>92,087</u>	<u>96,360</u>	<u>99,751</u>	<u>81,442</u>
Total district expenses	<u>\$ 7,937,890</u>	<u>\$ 8,190,889</u>	<u>\$ 8,331,329</u>	<u>\$ 8,165,331</u>	<u>\$ 9,498,315</u>	<u>\$ 10,264,086</u>	<u>\$ 11,103,744</u>	<u>\$ 11,751,539</u>	<u>\$ 10,985,234</u>	<u>\$ 11,138,899</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program revenues										
Governmental activities										
Operating grants & contributions	\$ 197,096	\$ 211,666	\$ 195,507	\$ 183,694	\$ 161,467	\$ 191,440	\$ 178,679	\$ 166,979	\$ 160,506	\$ 186,738
Charges for services	-	-	-	404,492	339,889	353,533	373,980	377,623	298,988	172,773
Total governmental activities program revenues	<u>197,096</u>	<u>211,666</u>	<u>195,507</u>	<u>588,186</u>	<u>501,356</u>	<u>544,973</u>	<u>552,659</u>	<u>544,602</u>	<u>459,494</u>	<u>359,511</u>
Business-type activities										
Charges for services										
Food service	96,336	83,808	75,725	72,709	68,371	58,685	54,272	53,383	61,500	49,354
Operating grants & contributions	30,000	33,338	32,124	36,000	42,793	43,967	36,466	36,768	39,119	37,007
Total business-type activities program revenues	<u>126,336</u>	<u>117,146</u>	<u>107,849</u>	<u>108,709</u>	<u>111,164</u>	<u>102,652</u>	<u>90,738</u>	<u>90,151</u>	<u>100,619</u>	<u>86,361</u>
Total district-program revenues	<u>\$ 323,432</u>	<u>\$ 328,812</u>	<u>\$ 303,356</u>	<u>\$ 696,895</u>	<u>\$ 612,520</u>	<u>\$ 647,625</u>	<u>\$ 643,397</u>	<u>\$ 634,753</u>	<u>\$ 560,113</u>	<u>\$ 445,872</u>
Net (expense) revenues										
Governmental activities	\$ (7,598,545)	\$ (7,836,090)	\$ (7,997,379)	\$ (7,468,554)	\$ (8,887,945)	\$ (9,614,530)	\$ (10,458,998)	\$ (11,110,577)	\$ (10,425,989)	\$ (10,697,946)
Business-type activities	(15,913)	(25,987)	(30,594)	118	2,150	(1,931)	(1,349)	(6,209)	868	4,919
Total district-wide net expenses	<u>\$ (7,614,458)</u>	<u>\$ (7,862,077)</u>	<u>\$ (8,027,973)</u>	<u>\$ (7,468,436)</u>	<u>\$ (8,885,795)</u>	<u>\$ (9,616,461)</u>	<u>\$ (10,460,347)</u>	<u>\$ (11,116,786)</u>	<u>\$ (10,425,121)</u>	<u>\$ (10,693,027)</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 6,271,835	\$ 6,397,271	\$ 6,454,847	\$ 6,551,669	\$ 6,649,944	\$ 6,748,018	\$ 6,865,199	\$ 6,863,399	\$ 6,930,899	\$ 7,063,298
Taxes levied for debt service	215,512	214,700	213,700	217,513	215,950	217,950	223,950	225,750	213,223	194,025
Unrestricted grants & contributions	1,078,042	1,335,830	1,419,554	1,401,575	2,713,850	3,291,667	3,987,671	4,802,972	3,710,543	3,736,535
Tuition income	126,182	164,809	225,458	-	-	-	-	-	-	-
Investment earnings	6,775	9,428	6,989	7,481	7,594	7,675	7,258	32,429	25,872	15,953
Miscellaneous income	84,943	90,133	83,946	13,045	18,336	19,008	20,613	17,608	16,225	10,829
Contributions - acquisition of capital assets	-	5,000	-	-	-	-	-	-	-	-
Operating transfer	(16,000)	(30,368)	(30,700)	-	(16,000)	-	-	(14,144)	-	-
Capital grants-unallocated	-	40,722	-	-	411,300	(158,222)	-	-	27,282	-
Special item - insurance proceeds for storm damage	-	-	60,970	-	-	-	-	-	-	-
Special item - gain/(loss) on disposal of assets	-	-	-	-	-	(9,471)	-	-	-	(71,205)
Total governmental activities	<u>7,767,289</u>	<u>8,227,525</u>	<u>8,434,764</u>	<u>8,191,283</u>	<u>10,000,974</u>	<u>10,116,625</u>	<u>11,104,691</u>	<u>11,928,014</u>	<u>10,924,044</u>	<u>10,949,435</u>
Business-type activities										
Investment earnings	131	107	64	31	19	26	23	60	76	86
Miscellaneous	-	-	-	-	-	-	408	211	703	-
Transfers	16,000	30,368	30,700	-	16,000	-	-	14,144	-	-
Total business-type activities	<u>16,131</u>	<u>30,475</u>	<u>30,764</u>	<u>31</u>	<u>16,019</u>	<u>26</u>	<u>431</u>	<u>14,415</u>	<u>779</u>	<u>86</u>
Total district-wide	<u>\$ 7,783,420</u>	<u>\$ 8,258,000</u>	<u>\$ 8,465,528</u>	<u>\$ 8,191,314</u>	<u>\$ 10,016,993</u>	<u>\$ 10,116,651</u>	<u>\$ 11,105,122</u>	<u>\$ 11,942,429</u>	<u>\$ 10,924,823</u>	<u>\$ 10,949,521</u>
Change in net position										
Governmental activities	\$ 168,744	\$ 391,435	\$ 437,385	\$ 722,729	\$ 1,113,029	\$ 502,095	\$ 645,693	\$ 817,437	\$ 498,055	\$ 251,489
Business-type activities	218	4,488	170	149	18,169	(1,905)	(918)	8,206	1,647	5,005
Total district	<u>\$ 168,962</u>	<u>\$ 395,923</u>	<u>\$ 437,555</u>	<u>\$ 722,878</u>	<u>\$ 1,131,198</u>	<u>\$ 500,190</u>	<u>\$ 644,775</u>	<u>\$ 825,643</u>	<u>\$ 499,702</u>	<u>\$ 256,494</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Restricted	\$ 506,332	\$ 709,137	\$ 1,289,743	\$ 1,108,602	\$ 1,192,334	\$ 1,436,901	\$ 1,501,107	\$ 2,358,509	\$ 2,203,644	\$ 2,204,575
Committed	39,655	76,735	49,486	110,787	30,798	450,225	32,200	35,678	165,610	90,197
Assigned	4,651	76,968	3,828	3,654	-	2,088	13,219	12,707	7,746	-
Unassigned	243,221	238,474	216,881	209,694	190,705	176,030	175,202	169,374	190,519	206,535
Total general fund	<u>\$ 793,859</u>	<u>\$ 1,101,314</u>	<u>\$ 1,559,938</u>	<u>\$ 1,432,737</u>	<u>\$ 1,413,837</u>	<u>\$ 2,065,244</u>	<u>\$ 1,721,728</u>	<u>\$ 2,576,268</u>	<u>\$ 2,567,519</u>	<u>\$ 2,501,307</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	<u>\$ 146,070</u>	<u>\$ 111,547</u>	<u>\$ -</u>	<u>\$ 594,487</u>	<u>\$ 1,069,003</u>	<u>\$ -</u>	<u>\$ 318,869</u>	<u>\$ 1,517,611</u>	<u>\$ 139,916</u>	<u>\$ 20,382</u>
Total all other governmental funds	<u>\$ 146,070</u>	<u>\$ 111,547</u>	<u>\$ -</u>	<u>\$ 594,487</u>	<u>\$ 1,069,003</u>	<u>\$ -</u>	<u>\$ 318,869</u>	<u>\$ 1,517,611</u>	<u>\$ 139,916</u>	<u>\$ 20,382</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$ 6,487,347	\$ 6,611,971	\$ 6,668,547	\$ 6,769,182	\$ 6,865,894	\$ 6,965,968	\$ 7,089,149	\$ 7,089,149	\$ 7,144,122	\$ 7,257,323
Tuition charges	126,182	164,809	225,458	244,521	255,471	276,992	333,472	331,090	284,528	182,474
Interest earnings	6,775	9,428	6,989	7,481	7,594	7,675	7,258	32,429	25,872	15,953
Rents and royalties	-	-	-	-	-	6,001	6,058	6,283	6,460	4,264
Miscellaneous	97,213	116,243	85,513	79,807	103,476	89,548	57,418	57,858	24,225	12,206
State sources	1,078,078	1,348,231	1,419,554	1,401,787	2,058,330	1,711,757	1,897,989	1,998,698	2,174,797	2,230,709
Federal sources	184,790	213,877	193,940	182,159	160,745	183,154	171,113	166,979	160,506	171,396
Total revenues	7,980,385	8,464,559	8,600,001	8,684,937	9,451,510	9,241,095	9,562,457	9,682,486	9,820,510	9,874,325
Expenditures										
Instruction										
Regular instruction	2,525,779	2,604,108	2,570,371	2,524,077	2,598,538	2,489,180	2,559,198	2,532,039	2,693,695	2,706,574
Special education instruction	704,935	718,883	684,787	604,865	638,358	607,723	635,459	615,553	560,496	646,986
Other special instruction	84,454	47,961	47,471	35,438	62,870	77,067	61,670	68,379	67,271	75,892
Other instruction	75,481	76,994	82,490	83,497	89,547	80,206	81,915	80,587	89,394	74,600
Support services										
Tuition	68,876	36,000	41,300	41,300	75,555	71,253	94,964	324	-	-
Student & inst related services	689,390	722,184	742,722	807,583	890,500	974,377	922,662	932,236	998,787	1,023,710
General administration	285,970	306,196	295,625	276,689	278,481	277,838	244,524	261,144	277,235	306,549
School administration services	154,046	159,682	160,734	162,875	170,559	150,076	148,115	148,955	157,237	156,323
Central services	140,594	153,385	157,667	163,686	166,117	178,072	166,345	176,976	205,428	185,451
Administration info technology	2,395	2,395	5,786	4,040	4,790	4,790	4,790	4,090	4,890	4,940
Plant operations & maintenance	571,298	601,933	695,720	652,233	649,605	757,340	671,419	617,835	704,094	627,714
Pupil transportation	420,495	408,958	382,429	386,857	408,896	430,786	448,337	427,123	451,994	449,345
Employee benefits	1,091,551	1,107,553	1,153,251	1,166,309	1,155,666	1,228,684	1,238,766	1,325,882	1,395,064	2,664,754
On-behalf TPAF pension & Social Security contribution	523,392	649,435	789,070	676,297	789,278	978,100	1,004,181	1,106,952	1,242,478	
Capital outlay	32,558	38,981	64,149	174,002	10,207	244,316	719,816	37,453	205,324	624,893
Special revenue funds	197,096	211,666	195,507	183,694	161,467	191,440	178,679	166,979	160,506	172,773
Capital projects	21,930	75,245	-	55,513	612,327	698,310	181,131	2,200,620	1,752,556	119,533
Debt service										
Principal	155,000	160,000	165,000	175,000	180,000	190,000	205,000	215,000	110,000	130,000
Interest & other charges	60,512	54,700	49,115	43,696	37,133	29,133	20,133	11,933	130,505	90,033
Total expenditures	7,805,752	8,136,259	8,283,194	8,217,651	8,979,894	9,658,691	9,587,104	10,930,060	11,206,954	10,060,070

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess (deficiency) of revenues over (under) expenditures	\$ 174,633	\$ 328,300	\$ 316,807	\$ 467,286	\$ 471,616	\$ (417,596)	\$ (24,647)	\$ (1,247,574)	\$ (1,386,444)	\$ (185,745)
Other financing sources (uses)										
Insurance claim proceeds for storm damage	-	-	60,970	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	3,315,000	-	-
Transfers in (out)	(41,000)	(55,368)	(30,700)	-	(16,000)	-	-	(14,144)	-	-
Total other financing sources (uses)	(41,000)	(55,368)	30,270	-	(16,000)	-	-	3,300,856	-	-
Net change in fund balances	<u>\$ 133,633</u>	<u>\$ 272,932</u>	<u>\$ 347,077</u>	<u>\$ 467,286</u>	<u>\$ 455,616</u>	<u>\$ (417,596)</u>	<u>\$ (24,647)</u>	<u>\$ 2,053,282</u>	<u>\$ (1,386,444)</u>	<u>\$ (185,745)</u>
Debt service as a percentage of non-capital expenditures	2.86%	2.75%	2.67%	2.81%	2.67%	2.58%	2.66%	2.68%	2.67%	2.42%

Source: District Records

Note: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Interest income	\$ 6,775	\$ 9,428	\$ 6,989	\$ 7,481	\$ 7,594	\$ 7,675	\$ 7,258	\$ 18,067	\$ 24,272	\$ 15,953
Tuition	126,182	164,809	225,458	244,521	255,471	276,992	333,472	331,090	284,528	182,474
Building use fees	5,050	6,362	9,826	5,703	5,866	6,001	6,058	6,283	6,460	4,264
Milford Board of Education - interlocal government fees	54,320	56,703	59,708	63,976	78,552	70,540	34,450	40,250	8,000	-
Rebates	2,962	-	-	-	-	-	-	5,200	-	-
Prior year refunds	-	-	-	1,770	1,300	1,260	2,047	912	9,598	49
Lost books and fines	132	86	120	-	96	44	133	78	44	-
Sale of surplus equipment & supplies	-	2,851	200	300	-	-	5,539	-	-	-
Consulting services	14,250	12,000	1,500	-	-	-	-	-	-	-
E-rate reimbursements	6,874	6,698	3,210	-	12,628	11,936	11,526	10,117	6,580	7,445
Miscellaneous	-	1,179	23	-	3,312	5,768	368	1,301	3	535
Solar bond excess	-	-	5,000	-	-	-	-	-	-	-
Energy audit	-	-	2,855	-	-	-	-	-	-	-
Transportation fees	405	-	500	-	-	-	-	-	-	-
Safety incentive/ grant	-	-	1,000	-	1,000	-	-	-	-	2,800
Donation	-	-	-	-	-	-	1,000	-	-	-
Sale of plans & specifications	950	-	-	-	-	-	-	-	-	-
Bully prevention aid	-	747	-	-	-	-	-	-	-	-
FEMA aid	-	-	-	750	-	-	-	-	-	-
Prior year accounts payable canceled	-	-	-	3,732	-	-	-	-	-	-
Outstanding checks voided	-	3,507	-	2,253	-	-	-	-	-	-
Annual totals	\$ 217,900	\$ 264,370	\$ 316,389	\$ 330,486	\$ 365,819	\$ 380,216	\$ 401,851	\$ 413,298	\$ 339,485	\$ 213,520

Source: District Records

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Vacant land	\$ 13,492,900	\$ 12,970,200	\$ 9,304,400	\$ 8,780,700	\$ 8,399,600	\$ 8,636,700	\$ 8,836,200	\$ 8,851,500	\$ 8,498,100	\$ 8,702,100
Residential	531,967,900	533,983,300	447,094,600	448,217,200	450,127,700	451,287,800	453,019,600	453,517,900	455,785,800	454,885,900
Farm regular	138,144,900	138,541,500	118,965,000	118,396,800	116,320,800	115,158,200	115,304,600	117,668,200	116,318,100	118,510,700
Q farm	5,264,900	4,983,300	4,982,900	4,985,500	4,972,000	4,986,275	4,967,585	4,970,585	4,962,285	4,936,285
Commercial	95,119,461	94,992,961	87,525,600	87,284,700	85,051,600	85,095,500	86,788,800	87,088,800	80,723,700	80,427,400
Apartment	2,142,700	2,142,700	2,262,200	2,262,200	2,262,200	2,262,200	2,262,200	2,262,200	3,449,500	3,449,500
 Total assessed value	 786,132,761	 787,613,961	 670,134,700	 669,927,100	 667,133,900	 667,426,675	 671,178,985	 674,359,185	 669,737,485	 670,911,885
Public utilities (a)	1,831,762	1,837,214	1,757,313	876,506	916,552	913,321	930,472	896,375	878,047	869,008
Net valuation taxable	<u>\$ 787,964,523</u>	<u>\$ 789,451,175</u>	<u>\$ 671,892,013</u>	<u>\$ 670,803,606</u>	<u>\$ 668,050,452</u>	<u>\$ 668,339,996</u>	<u>\$ 672,109,457</u>	<u>\$ 675,255,560</u>	<u>\$ 670,615,532</u>	<u>\$ 671,780,893</u>
Estimated actual county equalized value	<u>\$ 809,164,636</u>	<u>\$ 785,298,888</u>	<u>\$ 754,125,900</u>	<u>\$ 726,528,329</u>	<u>\$ 726,140,924</u>	<u>\$ 731,145,385</u>	<u>\$ 722,154,783</u>	<u>\$ 736,776,388</u>	<u>\$ 752,486,010</u>	<u>\$ 763,908,225</u>
Percentage of net valuation to estimated actual equalized value	<u>97.38%</u>	<u>100.53%</u>	<u>89.10%</u>	<u>92.33%</u>	<u>92.00%</u>	<u>91.41%</u>	<u>93.07%</u>	<u>91.65%</u>	<u>89.12%</u>	<u>87.94%</u>
Total direct school tax rate (b)	<u>\$ 0.839</u>	<u>\$ 0.845</u>	<u>\$ 1.008</u>	<u>\$ 1.024</u>	<u>\$ 1.043</u>	<u>\$ 1.062</u>	<u>\$ 1.055</u>	<u>\$ 1.058</u>	<u>\$ 1.083</u>	<u>\$ 1.124</u>

*

Source: Municipal Tax Assessor

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

(a) Taxable value of machinery, implements and equipment's of telephone and messenger system companies

(b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	Fire District	
2011	\$ 0.814	\$ 0.025	\$ 0.839	\$ 0.519	\$ 0.190	\$ 0.353	\$ 0.024	\$ 1.925
2012	0.811	0.034	0.845	0.498	0.189	0.353	0.028	1.913
2013	* 0.975	0.033	1.008	0.584	0.224	0.408	0.033	2.257
2014	0.992	0.032	1.024	0.599	0.224	0.403	0.033	2.283
2015	1.010	0.033	1.043	0.595	0.224	0.404	0.034	2.300
2016	1.028	0.034	1.062	0.622	0.235	0.407	0.035	2.361
2017	1.028	0.027	1.055	0.632	0.254	0.399	0.036	2.376
2018	1.024	0.034	1.058	0.645	0.244	0.411	0.037	2.395
2019	1.051	0.032	1.083	0.676	0.243	0.423	0.038	2.463
2020	1.094	0.030	1.124	0.703	0.242	0.430	0.038	2.537

Sources: Municipal Tax Collector

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Texas Eastern Trans Co.	\$ 37,706,600	1	5.61%	\$ 42,282,000	1	5.37%
Algonquin Gas Trans c/o Duke Energy	6,536,100	2	0.97%	8,288,100	3	1.05%
The Ridge at Back Brook Road	5,347,200	3	0.80%	10,500,000	2	1.33%
Bousum/Neely Partnership	3,527,000	4	0.53%	2,991,100	4	0.38%
Individual Property Owner	2,678,000	5	0.40%	1,946,600	7	0.25%
GAW Holdings LLC	1,998,900	6	0.30%	-	-	-
Individual Property Owner	-	-	-	1,770,400	10	0.22%
Hunterdon Storage Inc.	1,781,000	7	0.27%	1,781,000	9	0.23%
Southwark Farm, LLC	1,720,900	8	0.26%	2,263,600	6	0.29%
Jordan Sidney & T/A Ifida Realty	1,511,900	9	0.23%	1,813,100	8	0.23%
Back Brook Farm, LLC	1,468,800	10	0.22%	-	-	-
Buckeye Pipeline Co	-	-	-	2,639,700	5	0.34%
	<u>\$ 64,276,400</u>		<u>9.57%</u>	<u>\$ 76,275,600</u>		<u>9.68%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the Year</u>	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2011	\$ 6,487,347	\$ 6,487,347	100.00%
2012	6,611,971	6,611,971	100.00%
2013	6,668,547	6,668,547	100.00%
2014	6,769,182	6,769,182	100.00%
2015	6,865,894	6,865,894	100.00%
2016	6,965,968	6,965,968	100.00%
2017	7,089,149	7,089,149	100.00%
2018	7,089,149	7,089,149	100.00%
2019	7,144,122	7,144,122	100.00%
2020	7,257,323	7,257,323	100.00%

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

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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 1,290,000	\$ -	\$ 11,136	\$ -	\$ -	\$ -	\$ 1,301,136	0.47%	\$ 327
2012	1,130,000	-	-	-	-	-	1,130,000	0.40%	285
2013	965,000	-	-	-	-	-	965,000	0.32%	244
2014	790,000	-	-	-	-	-	790,000	0.27%	201
2015	610,000	-	-	-	-	-	610,000	0.20%	156
2016	420,000	-	-	-	-	-	420,000	0.13%	108
2017	215,000	-	-	-	-	-	215,000	0.07%	55
2018	3,315,000	-	-	-	-	-	3,315,000	1.00%	849
2019	3,205,000	-	-	-	-	-	3,205,000	0.92%	826
2020	3,075,000	-	-	-	-	-	3,075,000	N/A	797

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

N/A Information is not available

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 1,290,000	\$ -	\$ 1,290,000	0.16%	\$ 324
2012	1,130,000	-	1,130,000	0.14%	285
2013	* 965,000	-	965,000	0.14%	244
2014	790,000	-	790,000	0.12%	201
2015	610,000	-	610,000	0.09%	156
2016	420,000	-	420,000	0.06%	108
2017	215,000	-	215,000	0.03%	55
2018	3,315,000	-	3,315,000	0.49%	849
2019	3,205,000	-	3,205,000	0.48%	826
2020	3,075,000	-	3,075,000	0.46%	797

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

* Revalued/Reassessed

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2019

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 2,733,470	100.00%	\$ 2,733,470
Regional High School	4,145,000	7.92%	328,129
County general obligation debt	85,870,478	3.47%	<u>2,977,818</u>
Subtotal, overlapping debt			6,039,417
School district direct debt			<u>3,205,000</u>
Total direct and overlapping debt			<u><u>\$ 9,244,417</u></u>

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

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

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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized Valuation Basis	
	2019	\$ 761,584,586
	2018	756,686,698
	2017	732,328,407
		\$ 2,250,599,691
Average equalized valuation of taxable property		\$ 750,199,897
Debt limit (3.0% of average equalization value)	(a)	\$ 22,505,997
Total net debt applicable to limit		3,075,000
Legal debt margin		\$ 19,430,997

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 21,798,685	\$ 21,752,101	\$ 21,792,777	\$ 22,061,384	\$ 22,505,997
Total net debt applicable	420,000	3,315,000	3,315,000	3,205,000	3,075,000
Legal debt margin	\$ 21,378,685	\$ 18,437,101	\$ 18,477,777	\$ 18,856,384	\$ 19,430,997
Total net debt applicable to the limit as a percentage of debt limit	1.93%	15.24%	15.21%	14.53%	13.66%

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt limit	\$ 24,486,256	\$ 23,961,866	\$ 23,417,001	\$ 23,417,001	\$ 22,073,297
Total net debt applicable	1,290,000	1,130,000	965,000	965,000	610,000
Legal debt margin	\$ 23,196,256	\$ 22,831,866	\$ 22,452,001	\$ 22,452,001	\$ 21,463,297
Total net debt applicable to the limit as a percentage of debt limit	5.27%	4.72%	4.12%	4.12%	2.76%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2011	3,985	\$ 279,145,265	\$ 70,049	6.9%
2012	3,968	285,477,760	71,945	7.1%
2013	3,950	297,190,100	75,238	7.2%
2014	3,935	295,388,645	75,067	4.6%
2015	3,919	308,237,188	78,652	3.9%
2016	3,897	315,879,129	81,057	3.3%
2017	3,900	326,215,500	83,645	3.1%
2018	3,905	331,760,990	84,958	3.1%
2019	3,882	N/A	N/A	2.3%
2020	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2020

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2011

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	38.1	37.7	37.1	37.2	36.7	34.6	34.6	32.6	33.1	33.6
Special education	16.3	16.0	15.5	15.0	17.5	17.0	15.7	15.4	16.2	18.0
Support services										
Student and instruction related services	6.8	6.1	5.2	5.2	5.2	5.2	5.3	6.3	6.3	6.2
General administration	2.5	2.7	2.9	3.0	3.0	3.2	3.2	3.0	3.0	2.0
School administration services	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.6	2.6	2.6
Central services	2.0	2.0	2.0	2.0	2.0	2.2	2.2	2.4	2.4	2.4
Administrative information technology	-	-	-	-	-	1	1.0	1.0	1.0	1.0
Plant operations and maintenance	4.5	4.5	4.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Food service	1.0	1.0	1.0	-	-	-	-	-	-	-
Total	<u>73.6</u>	<u>72.4</u>	<u>70.6</u>	<u>69.8</u>	<u>71.8</u>	<u>70.6</u>	<u>69.4</u>	<u>68.3</u>	<u>69.6</u>	<u>70.8</u>

Source: District Personnel Records

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2011	475	\$ 7,535,752	\$ 15,865	3.77%	57	1 to 8.33	475.4	465.5	-5.17%	97.92%
2012	446	7,807,333	17,505	10.34%	56	1 to 7.96	446.2	430.3	-6.14%	96.44%
2013	425	8,004,930	18,835	7.60%	53	1 to 8.08	429.6	413.0	-3.72%	96.14%
2014	410	7,769,440	18,950	0.61%	52	1 to 7.88	414.5	399.3	-3.51%	96.33%
2015	393	8,140,227	20,713	9.30%	54	1 to 7.28	390.9	375.7	-5.69%	96.11%
2016	371	8,496,932	22,903	10.57%	52	1 to 7.19	368.7	354.7	-5.67%	96.20%
2017	360	8,461,024	23,503	2.62%	42	1 to 8.57	354.5	340.3	-3.86%	95.99%
2018	345	8,465,054	24,536	4.40%	40	1 to 8.63	351.9	337.3	-0.73%	95.85%
2019	367	9,008,569	24,547	0.04%	43	1 to 8.53	363.1	350.0	3.18%	96.39%
2020	356	9,095,611	25,549	4.09%	42	1 to 8.46	357.3	348.6	-1.59%	97.55%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average daily enrollment and average daily attendance are obtained from the school register summary.

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Elementary (1939)</u>										
Square feet	62,500	62,500	62,500	62,500	62,500	62,500	64,000	64,000	64,000	64,000
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	475	450	450	410	393	371	360	345	367	356

<u>Number of schools at June 30, 2020:</u>	
Elementary	1

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities *

<u>Fiscal Year Ending</u>	<u>Amount</u>	<u>Total</u>
2011	\$ 43,546	\$ 43,546
2012	66,245	66,245
2013	75,950	75,950
2014	98,254	98,254
2015	96,765	96,765
2016	183,334	183,334
2017	142,883	142,883
2018	99,453	99,453
2019	136,239	136,239
2020	68,414	68,414
Total school facilities	<u>\$ 1,011,083</u>	<u>\$ 1,011,083</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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ Schools Insurance Group		
Property - Building Blanket and Contents (Fund Limit)	\$ 500,000,000	\$ 5,000
Equipment Breakdown	100,000,000	5,000
Electronic Data Processing	945,000	1,000
Comprehensive General Liability	11,000,000	-
Comprehensive Automobile Liability	11,000,000	-
Pollution Liability	1,000,000	50,000
Comprehensive Crime Coverage	100,000	500
Excess Liability	50,000,000	5,000
Employee Benefits	11,000,000	1,000
Student Accident	5,000,000	-
 School Board Legal Liability - NJ Schools Insurance Group		
Directors and Officers Policy	11,000,000	5,000
 Workmen's Compensation - NJ Schools Insurance Group	2,000,000	-
 Public Employees' Faithful Performance - NJ Schools Insurance Group		
Business Administrative Bond	200,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION



Certified Public Accountants, PC
www.bkc-cpa.com

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

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the East Amwell Township School District, County of Hunterdon, the State of New Jersey (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the East Amwell Township 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKC, CPAs, PC



Michael A. Holk, CPA, PSA



NO. 20CS00265600

January 8, 2021
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the
New Jersey OMB Circular Letter 15-08**

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major State Program

We have audited the East Amwell Township School District's (the District) compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major New Jersey (state) programs for the year ended June 30, 2020. The 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, and the OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

BKC, CPAs, PC

BKC, CPAs, PC

MU

Michael A. Holk, CPA, PSA
NO. 20CS00265600

January 8, 2021
Flemington, New Jersey

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/19	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2020																
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor														
U.S. Department of Education passed through State Department of Education																													
Special Revenue Fund																													
IDEA Basic	84.027	H027A190100	IDEA-1160-20	\$ 89,720	07/01/19	06/30/20	\$ -	\$ -	\$ 80,733	\$ 89,720	\$ -	\$ -	\$ (8,987)	\$ -	\$ -														
IDEA Preschool	84.173	H173S190114	IDEA-1160-20	6,219	07/01/19	06/30/20	-	-	5,592	6,219	-	-	(627)	-	-														
Title I A	84.010	S010S190030	ESSA-1160-20	19,774	07/01/19	06/30/20	-	-	19,774	19,774	-	-	-	-	-														
Title II A	84.367A	S367A180029	ESSA-1160-19	5,996	07/01/18	06/30/19	(2,853)	-	2,853	-	-	-	-	-	-														
Title II A	84.367A	S367A190029	ESSA-1160-20	5,367	07/01/19	06/30/20	-	-	4,143	5,357	-	-	(1,214)	-	-														
Title IV	84.424	S424A180031	ESSA-1160-19	10,061	07/01/18	06/30/19	(3,224)	-	3,224	-	-	-	-	-	-														
Title IV	84.424	S424A190031	ESSA-1160-20	10,000	07/01/19	06/30/20	-	-	5,873	7,346	-	-	(1,473)	-	-														
Rural Education Achievement Program	84.358A	S358B181988	S358A-3750-19	33,126	07/01/18	06/30/19	-	-	8,351	8,351	-	-	-	-	-														
Rural Education Achievement Program	84.358	S365B190030	S358A-3750-20	31,181	07/01/19	06/30/20	-	-	29,115	29,115	-	-	-	-	-														
Total Special Revenue Fund							<u>(6,077)</u>	<u>-</u>	<u>159,658</u>	<u>165,882</u>	<u>-</u>	<u>-</u>	<u>(12,301)</u>	<u>-</u>	<u>-</u>														
U.S. Department of Agriculture passed through State Department of Education																													
Enterprise Fund																													
Child Nutrition Center																													
National School Lunch Program																													
Non-Cash Assistance (Commodities)	10.555	191NJ304N1099	N/A	8,745	10/01/18	09/30/19	694	-	-	694	-	-	-	-	-														
National School Lunch Program																													
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	6,006	10/01/19	09/30/20	-	-	6,006	4,987	-	-	-	1,019	-														
National School Lunch Program																													
Cash Assistance	10.555	191NJ304N1099	N/A	28,957	10/01/18	09/30/19	(2,653)	-	2,653	-	-	-	-	-	-														
National School Lunch Program																													
Cash Assistance	10.555	201NJ304N1099	N/A	30,357	10/01/19	09/30/20	-	-	26,547	30,357	-	-	(3,810)	-	-														
Total Enterprise Fund							<u>(1,959)</u>	<u>-</u>	<u>35,206</u>	<u>36,038</u>	<u>-</u>	<u>-</u>	<u>(3,810)</u>	<u>1,019</u>	<u>-</u>														
Total Federal Awards							<u>\$ (8,036)</u>	<u>\$ -</u>	<u>\$ 194,864</u>	<u>\$ 201,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,111)</u>	<u>\$ 1,019</u>	<u>\$ -</u>														

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2020			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
School Choice Aid	20-495-034-5120-068	\$ 327,024	07/01/19	06/30/20	\$ -	\$ -	\$ 359,681	\$ 327,024	\$ -	\$ -	\$ -	\$ -	\$ 32,657	\$ 327,024
Transportation Aid	20-495-034-5120-014	181,957	07/01/19	06/30/20	-	-	200,128	181,957	-	-	-	-	18,171	181,957
Special Education Categorical Aid	20-495-034-5120-089	280,435	07/01/19	06/30/20	-	-	308,441	280,435	-	-	-	-	28,006	280,435
Security Aid	20-495-034-5120-084	37,939	07/01/19	06/30/20	-	-	41,728	37,939	-	-	-	-	3,789	37,939
Adjustment Aid	20-495-034-5120-085	46,879	07/01/19	06/30/20	-	-	51,561	46,879	-	-	-	-	4,682	46,879
Non-Public Transportation Aid	19-495-034-5120-014	1,740	07/01/18	06/30/19	(1,740)	-	1,740	-	-	-	-	-	-	1,740
Extraordinary Special Education Costs Aid	19-100-034-5120-473	26,274	07/01/18	06/30/19	(26,274)	-	26,274	-	-	-	-	-	-	26,274
Extraordinary Special Education Costs Aid	20-100-034-5120-473	43,840	07/01/19	06/30/20	-	-	-	43,840	-	(43,840)	-	-	-	43,840
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	20-495-034-5094-002	734,372	07/01/19	06/30/20	-	-	734,372	734,372	-	-	-	-	-	734,372
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	20-495-034-5094-004	13,163	07/01/19	06/30/20	-	-	13,163	13,163	-	-	-	-	-	13,163
On-Behalf TPAF Pension Contribution - Post Retirement Medical	20-495-034-5094-001	277,322	07/01/19	06/30/20	-	-	277,322	277,322	-	-	-	-	-	277,322
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	20-495-034-5094-004	393	07/01/19	06/30/20	-	-	393	393	-	-	-	-	-	393
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	262,370	07/01/19	06/30/20	-	-	262,370	262,370	-	-	-	-	-	262,370
Total General Fund					(28,014)	-	2,277,173	2,205,694	-	(43,840)	-	-	87,305	2,233,708
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	19-100-010-3350-023	1,094	07/01/18	06/30/19	(103)	-	103	-	-	-	-	-	-	1,094
State School Lunch Program	20-100-010-3350-023	969	07/01/19	06/30/20	-	-	909	969	-	(60)	-	-	-	969
Total Enterprise Fund					(103)	-	1,012	969	-	(60)	-	-	-	2,063

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2020

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2020			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
Total State Financial Assistance					<u>\$ (28,117)</u>	<u>\$ -</u>	<u>\$ 2,278,185</u>	\$ 2,206,663	<u>\$ -</u>	<u>\$ (43,900)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,305</u>	<u>\$ 2,235,771</u>
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund 20-495-034-5094-002								734,372						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance 20-495-034-5094-004								13,163						
On-Behalf TPAF Pension Contribution - Postretirement Medical 20-495-034-5094-001								277,322						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance 20-495-034-5094-004								393						
Total for State Financial Assistance - Major Program Determination								<u>\$ 1,181,413</u>						

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the East Amwell Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$190 for the general fund and \$5,514 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 2,205,884	\$ 2,205,884
Special revenue fund	171,396	-	171,396
Debt service fund	-	24,825	24,825
Food service fund	36,038	969	37,007
Total awards and financial assistance	\$ 207,434	\$ 2,231,678	\$ 2,439,112

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. TPAF Social Security Contribution represents the amount reimbursed by the state for the employer's share of Social Security Contributions for TPAF members for the year ended June 30, 2020.

Note 6 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section 516(a)?

Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2020

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? Yes No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? Yes No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>20-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>20-495-034-5120-084</i>	<i>Security Aid</i>
<i>20-495-034-5120-085</i>	<i>Adjustment Aid</i>
<i>20-495-034-5120-068</i>	<i>School Choice Aid</i>

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Sections II and III
For the Fiscal Year Ended June 30, 2020**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2020.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the year ended June 30, 2020.

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2020**

Status of Prior Year Findings

There were no prior year findings or questioned costs.