

EAST WINDSOR REGIONAL SCHOOL DISTRICT

Hightstown, New Jersey
County of Mercer

*Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2020*

East Windsor Regional School District

Hightstown, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

Prepared by

Business Office

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Introductory Section

"PRIDE IN PERFORMANCE"

East Windsor Regional School District

January 11, 2021

Honorable President and
Members of the Board of Education
East Windsor Regional School District
County of Mercer, New Jersey

Dear Board Members and Constituents:

We are pleased to submit the Comprehensive Annual Financial Report of the East Windsor Regional School District (hereafter the "District") for the fiscal year ending June 30, 2020. 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, 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 the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the Independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the basic financial statements and required supplementary information (RSI) and other supplementary information. The Statistical section includes selected financial and demographic information presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the auditors' report on internal control and compliance with applicable laws and regulations and findings and questioned costs, are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: East Windsor Regional School District is an independent reporting entity within the criteria adopted by the GASB. All funds and the government-wide financial statements of the District are included in this report. The East Windsor Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped and preschool handicapped children. The District had 5,178 students enrolled on October 15, 2019. Enrollment is defined as students on roll (both full and shared time count as one) and students placed out of district including Mercer County Special Services School District. The following details the changes in the student enrollment of the District over the last ten years.

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	5,075	+0.91%
2011-12	5,072	- 0.06%
2012-13	5,072	+0.00%
2013-14	5,106	+0.67%
2014-15	5,019	-1.70%
2015-16	5,139	+2.39%
2016-17	5,221	+0.15%
2017-18	5,129	-0.17%
2018-19	5,113	-0.04%
2019-20	5,178	+0.13%

2) ECONOMIC CONDITION AND OUTLOOK: New residential development has leveled off. Commercial development continues to increase and is helping to add to the tax base.

3) MAJOR INITIATIVES: Expenditures made during the 2019-2020 school year were designed to support the District's mission, goals and instructional action plans as well as the state's core curriculum standards. The 2019-2020 goals were:

Goal 1

Ensure all students graduate the East Windsor Regional School District with the necessary knowledge and skills to qualify for and succeed in postsecondary educational and work-related opportunities.

Goal 2

Support the foundational literacy skills of all students, while addressing the achievement gap of underperforming current/former ELL, economically disadvantaged, and special education students.

Goal 3

Assure that the professional development plan is aligned with the district-vision and mission.

Goal 4

Provide safe and secure environments for all students and staff.

Goal 5

Ensure students are functional, skilled readers by third grade.

Goal 6

Cultivate the development of students' fundamental social and emotional skills essential for success in life and impact on learning.

Examples of additional resources acquired and services provided:

- **New core textbooks and resources: local and global citizenship; Amistad and Holocaust**
- **Dance room in the middle school**
- **Curriculum revisions and rewrites in many curricular areas;**
- **Additional electives in high school and middle school**
- **Expansion of individualized staff development opportunities to all teachers;**
- **Summer School for students with foundational literacy gaps for students in Grades K to 3;**
- **Tutoring for seniors in high school to assure graduation requirements were met;**

- Continuing a College and Career Readiness program with advisors to support struggling high school students
- Additional novels and authentic literature to support literacy (grades 3 to 12);
- Laboratory Science equipment to support Next Gen Science Programs (grades 6 to 12)
- Additional chromebooks/ ipads to support instruction in all departments and grade levels;
- PSAT assessment funded for all 9 to 12 grade students;
- Biliteracy Assessment for High school students;
- Assessment and Data System to support teachers in personalized learning.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control 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 accounting principles generally accepted in the United States of America (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control 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 over compliance, including that portion related to federal award and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5. BUDGETARY CONTROLS: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. The legal level of budgetary controls is established at the line item accounts within each fund. Annual appropriated budgets are adopted for the general fund, the special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned 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 Government Accounting Standards Board (GASB). The accounting system of the District is organized based on funds and government-wide financial statements. These funds and government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

7. CASH MANAGEMENT: The investment policy of the District is regulated by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The

law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm Wiss & Company, LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey Treasury Circular OMB 15-08. The auditors’ report on the basic financial statements, required supplementary information and other supplementary information are included in the financial section of this report. The auditors’ reports, related specifically to the single audit are included in the single audit section of this report.


10. COVID-19 PANDEMIC:

The District began a program to prevent the transmission of the coronavirus in March 2020, beginning with cautionary signage and enhanced cleaning of buildings as well as more frequent cleaning of surfaces. As the pandemic continued, the District took a variety of safety precautions, including implementing remote learning, providing PPE to staff, enforcing physical distancing in the buildings, improving ventilation and HVAC systems, and sharing information with employees and students about safety protocols. The District has changed protocols for classrooms, buses, cafeterias, and shared spaces. Improvements to the ventilation and HVAC systems have included upgrades to MERV-13 filters wherever possible, and the installation of HEPA filtration. The District has also implemented more frequent cleaning and deployed more people to do cleaning. In addition, the District has provided hand sanitizer, and distributed a range of PPE to staff including cloth masks, surgical masks, N95 masks, face shields, and lab coats as needed. Masks are required in all buildings. Students and staff are screened before entering buildings and non-touch temperature taking has been instituted as well as daily health screening form. The District anticipates continued vigilance will be necessary and will examine any new options or protocols that become available to keep students and staff as safe as possible.


11. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the East Windsor Regional School District 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.

Respectfully submitted,



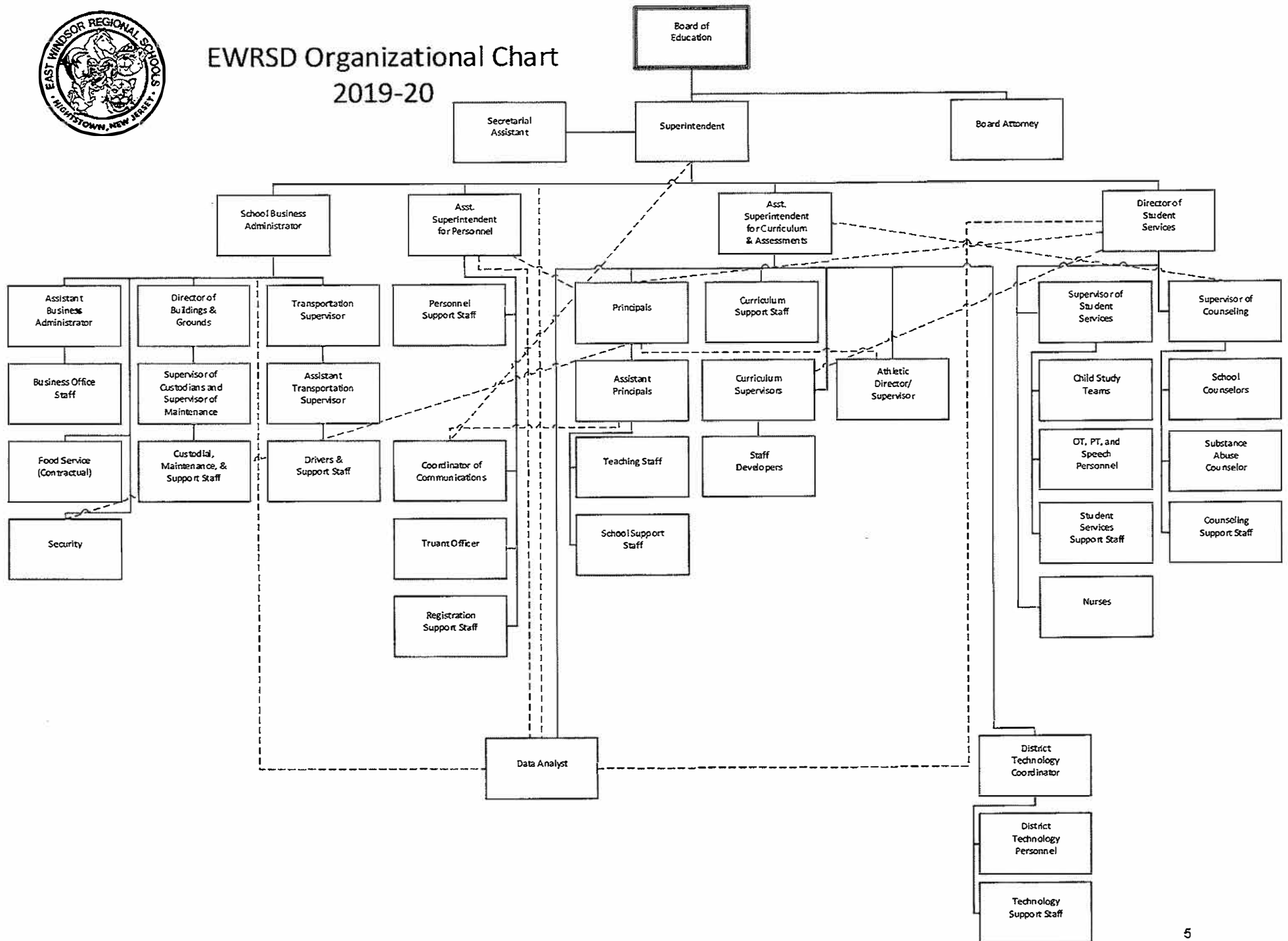
Superintendent



Board Secretary/Business Administrator



EWRSD Organizational Chart 2019-20



**East Windsor Regional School District
Hightstown, New Jersey**

Roster of Officials

June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Ram K. Ramachandran, President	2022
Christina “Tina” Lands, Vice President	2021
Jeanne Bourjolly	2020
Jenna Drake	2021
Bertrand Fougnes	2022
Nicole Larusso	2022
Robert Laverty	2020
Colleen Murphy	2021
Christian Saez	2020
 <u>Other Officials</u>	
Mark Daniels, Superintendent	
Paul Todd, Business Administrator / Board Secretary	
Rosemary Della Sala, Assistant Business Administrator	
David Rubin, Esq., Solicitor	

**East Windsor Regional School District
Hightstown, New Jersey**

Independent Auditors and Advisors

Solicitor

David Rubin, Esq.
Busch Law Group, LLC
450 Main Street
Metuchen, NJ 08520

Independent Auditors

Wiss & Company, LLP
100 Campus Drive, Suite 400
Florham Park, NJ 07932

Official Depository

Provident Bank
509 Rt. 130 North
East Windsor, New Jersey 08520

Financial Section



Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

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 Windsor Regional School District, County of Mercer, 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District pension contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of the State's proportionate share of the net OPEB liability associated with the District and changes in the total OPEB liability and related ratios – PERS and TPAF, and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance, 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* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

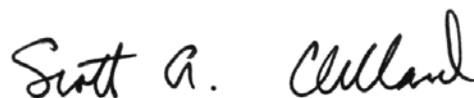
The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of

federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

January 11, 2021
Florham Park, New Jersey

Required Supplementary Information – Part I
Management's Discussion and Analysis

East Windsor Regional School District
Hightstown, New Jersey

Management's Discussion and Analysis
Year Ended June 30, 2020

As management of the East Windsor Regional School District ("District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2020. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year and the prior fiscal year is presented in the MD&A as required by GASB Statement No. 34.

Financial Highlights

Key financial highlights for fiscal 2020 are as follows:

- Total net position of the governmental activities and business-type activities is \$70,608,445 at June 30, 2020. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities (Schedule A-1).
- General revenues accounted for \$115,364,620 of total revenue or 96 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,026,342 or 4 percent of total revenues of \$120,390,962 (Schedule A-2).
- The District had \$110,666,156 in governmental fund expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$105,457,074, including \$14,389,717 in State on-behalf TPAF pension, medical, and disability and social security contributions. Grant-related expenditures in the special revenue fund totaled \$2,097,632. Business-type activities expenses were \$2,045,042 (Schedule B-5).
- The District maintains an internal service fund to provide service and fuel for the District's vehicles. This fund had \$300,530 in charges for services revenues and \$331,575 in expenses for supplies, fuel costs, and depreciation (Schedule B-5).
- The District transferred unrestricted funds during the year into restricted capital and maintenance reserves in the amount of \$2,000,000 and \$270,000, respectively to fund future capital and maintenance projects.

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 the East Windsor Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements can be found on pages 20-21 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between

governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and the special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-24 of this report.

Proprietary funds. The District maintains proprietary fund types in the form of enterprise funds and one internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and Kid Care, each of which are considered major funds of the District. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund provides services and fuel to the District's vehicles and limited other districts.

The proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District uses agency funds to account for resources held for student activities and groups and payroll related liabilities. The District uses trust funds to account for unemployment compensation claims and its private-purpose scholarships. The fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-71 of this report.

Other information. The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 72-97 of this report.

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve as an indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for decision making for each budget cycle.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of net position relating to the District's governmental and business-type activities as of June 30, 2020 and 2019:

East Windsor Regional School District
Net Position
June 30,

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 9,681,044	\$ 2,561,049	\$ 12,242,093	\$ 7,843,123	\$ 2,412,764	\$10,255,887
Restricted cash	9,610,919		9,610,919	9,039,933		9,039,933
Capital assets, net	99,730,427	146,261	99,876,688	99,507,278	181,316	99,688,594
Total assets	<u>119,022,390</u>	<u>2,707,310</u>	<u>121,729,700</u>	<u>116,390,334</u>	<u>2,594,080</u>	<u>118,984,414</u>
Deferred Outflows of Resources:						
Deferred loss on refunding of debt	725,310		725,310	820,255		820,255
Pension deferrals	5,195,874		5,195,874	6,600,187		6,600,187
Total deferred outflows	<u>5,921,184</u>		<u>5,921,184</u>	<u>7,420,442</u>		<u>7,420,442</u>
Liabilities:						
Current liabilities	3,113,449		3,113,449	3,900,851	1,516	3,902,367
Net pension liability	21,909,701		21,909,701	23,415,195		23,415,195
Unearned revenue	79,581	58,858	138,439	78,315	28,652	106,967
Long-term liabilities outstanding	23,397,272		23,397,272	26,194,005		26,194,005
Total liabilities	<u>48,500,003</u>	<u>58,858</u>	<u>48,558,861</u>	<u>53,588,366</u>	<u>30,168</u>	<u>53,618,534</u>
Deferred inflow of resources:						
Pension deferrals	<u>8,483,518</u>		<u>8,483,518</u>	<u>8,448,911</u>		<u>8,448,911</u>
Net position:						
Net investment in capital assets	78,784,906	146,261	78,931,167	75,373,950	181,316	75,555,266
Restricted	11,004,607		11,004,607	10,937,952		10,937,952
Unrestricted (deficit)	(21,829,520)	2,502,191	(19,327,329)	(24,538,403)	2,382,596	(22,155,807)
Total net position	<u>\$ 67,959,993</u>	<u>\$ 2,648,452</u>	<u>\$ 70,608,445</u>	<u>\$ 61,773,499</u>	<u>\$ 2,563,912</u>	<u>\$64,337,411</u>

The largest portion of the District's net position is its net investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, less any related debt (general obligation bonds payable and capital leases) used to acquire those assets that are still outstanding, which amounts to \$78,931,167. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The net pension liability recorded as of June 30, 2020 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The decrease of \$1,505,494 from the prior year relates to changes in the actuarial assumptions from the prior year and the pension funding status of the State of New Jersey.

Capital assets increased due to current year expenses that were capitalized relating to various capital projects exceeding depreciation.

An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, which total \$11,004,607 at June 30, 2020. Restricted net position increase is a result of additional funds being deposited into the capital reserve and maintenance reserve with balances of \$6,744,034 and \$2,366,099, respectively at June 30, 2020. Furthermore, \$807,902 was restricted for subsequent year's expenditures from prior year excess fund balance, and \$801,377 was recognized as current year excess surplus to be utilized in the 2021-2022 budget. Lastly, \$285,195 is restricted for capital projects within the Capital Projects fund. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Business-type assets increased by approximately \$100,000 resulting from increases from the prior year in the cash balances offset by decreases in accounts receivable in the food service enterprise fund and the Kid Care enterprise fund in the amounts of \$184,656 and \$59,076, respectively. The increases in cash were directly correlated to increased participation from the prior year in the food service enterprise fund federal reimbursable school lunch program and the reduction of expenses in the Kid Care enterprise fund after school program.

Overall, the activity within the business-type activities increased approximately \$80,000. The increase in net position in the food service enterprise fund is attributed to decreased expenses from the prior year. The decrease in net position in the Kid Care enterprise fund was directly related to the District's reduction in revenue for the year ended June 30, 2020.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2020 and 2019 are as follows:

East Windsor Regional School District
Changes in Net Position
Year Ended June 30,

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program Revenues:						
Charges for services	\$ 799,128	\$ 1,078,332	\$ 1,877,460	\$ 613,972	\$ 1,526,718	\$ 2,140,690
Operating and capital grants and contributions	2,097,632	1,051,250	3,148,882	2,137,277	1,233,463	3,370,740
General revenues:						
Property taxes	68,790,610		68,790,610	67,788,304		67,788,304
Grants and contributions not restricted to specific programs	46,035,664		46,035,664	46,762,945		46,762,945
Other	538,346		538,346	434,984		434,984
Total Revenues	118,261,380	2,129,582	120,390,962	117,737,482	2,760,181	120,497,663
Expenses:						
Instructional services	69,787,127		69,787,127	72,495,959		72,495,959
Support services	41,395,776		41,395,776	42,311,457		42,311,457
Special schools	104,872		104,872	100,065		100,065
Interest and other charges on long-term debt	787,111		787,111	845,734		845,734
Food Service		1,496,245	1,496,245		1,850,931	1,850,931
Kid Care		548,797	548,797		555,112	555,112
Total Expenses	112,074,886	2,045,042	114,119,928	115,753,215	2,406,043	118,159,258
Change in net position	6,186,494	84,540	6,271,034	1,984,267	354,138	2,338,405
Net position-beginning of year	61,773,499	2,563,912	64,337,411	59,789,232	2,209,774	61,999,006
Net position-end of year	\$ 67,959,993	\$ 2,648,452	\$ 70,608,445	\$ 61,773,499	\$ 2,563,912	\$ 64,337,411

The decrease in governmental activities revenues of approximately \$524,000 is attributed to the decrease in revenue related to GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the District to record negative revenue of \$78,000 in revenues, which were contributions made on behalf of the District by the State for post-employment health benefits, which was a decrease of approximately \$3.2 million. This decrease is offset by the decrease in the TPAF adjustment in regards to GASB 68 of \$1.1 million, and an increase in the state aid, and by increases in the tax levy from the 2018/19 fiscal year of approximately \$1 million.

The decrease in instructional services expenses is mainly the result of the decrease in expenses related to GASB 75, offset by several factors, including the decreased allocation of TPAF Social Security and Pension expenses due to the GASB 68 valuation, and the reduction in spending due to the COVID-19 pandemic beginning in Mid-March 2020. The decrease in support services expenses is mainly the result of increases in depreciation expense, compensated absence expenses, offset by decreases in post-employment health benefits expenses.

The activity in the business-type funds decreased during the 2020 fiscal year mostly due to effects from the COVID-19 pandemic.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as restricted, assigned or unassigned.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2020, and the increases and decreases in relation to the prior year:

Revenues				
Year Ended June 30, 2020				
Revenue	Amount	Percent of Total	Increase (Decrease) from 2019	Percent of Increase (Decrease)
Local sources	\$ 70,169,357	61.8%	\$ 1,296,776	1.88%
State sources	41,221,554	36.3%	3,674,726	9.79%
Federal sources	2,153,081	1.9%	(54,361)	(2.46%)
Total	\$113,543,992	100.0%	\$ 4,917,141	4.53%

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2020 and the increases and decreases in relation to the prior year:

Expenditures				
Year Ended June 30, 2020				
Expenditures	Amount	Percent of Total	Increase (Decrease) from 2019	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 40,575,736	36.7%	\$ 542,936	1.4%
Support services	61,632,717	55.7%	740,895	1.2%
Capital outlay	5,346,253	4.8%	40,643	8.1%
Debt service	3,111,450	2.8%	(46,575)	(1.5%)
Total	\$110,666,156	100.0%	\$ 1,637,899	1.5%

All fluctuations less than 10% are considered immaterial.

General Fund Budgeting Highlights (Schedule C-1)

The District's budget is prepared according to New Jersey statutes. The most significant budgeted fund is the General Fund. The largest difference to the budget from the revenue perspective was due to an increase in the local tax levy approved by the District in the current year. Additionally, the District received additional State Grant Funding in the current year.

Fiscal discipline freed up funds in some budget areas, allowing selected budgetary transfers to be made between budgetary line items and approved by the Board for various reasons including:

- Undistributed Expenditures – Required Maint. for Sch. Facil. – Cleaning, Repair and Maintenance Services – Due to increased need for maintenance projects such as fire doors, classroom painting and cabinetry repairs, floor repairs, and repairs and upgrades to univentilator units, the District transferred in \$757,380 to this account.
- Unallocated benefits – Health Benefits - Due to more favorable premium costs from State Health Benefits, the District transferred out \$3,120,751 from the health benefits account.
- Capital Outlay – Facilities Acquisition and Construction Services – Construction Services – The increase in the budget was mainly due to the roll over of prior years encumbrances in the amount of \$1,800,000 and increased construction projects activity in the current year, resulting in a transfer of approximately \$4,600,000 to this account.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2020, the District's governmental activities and business-type activities had capital assets of \$99,876,628 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, site and site improvements, machinery, equipment and vehicles.

The District's governmental activities and business-type activities capital assets, net of accumulated depreciation consisted of the following at June 30, 2020 and 2019:

	June 30	
	2020	2019
Land	\$ 149,550	\$ 149,550
Construction in progress	4,567,143	2,085,117
Buildings and improvements	89,046,969	91,450,831
Site and site improvements	2,595,998	2,919,212
Machinery, equipment and vehicles	3,370,707	2,902,568
Business-type	146,261	181,316
Total capital assets, net	\$ 99,876,628	\$ 99,688,594

More detailed information about the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration and Long-term Liabilities. During the 2020 fiscal year, the District’s governmental activities had outstanding long-term liabilities of \$45,306,973, of which \$2,713,661 was classified as the current portion.

At June 30, 2020 and 2019, the District’s long-term liabilities consisted of:

	June 30	
	2020	2019
Bonds payable	\$19,875,000	\$22,055,000
Net pension liability	21,909,701	23,415,195
Lease obligations payable	500,786	880,389
Compensated absences payable	1,225,715	1,240,422
Unamortized bond premium	1,795,771	2,018,194
Total long-term liabilities	\$45,306,973	\$49,609,200

The District’s net pension liability as of June 30, 2020 and 2019 was \$21,909,701 and \$23,415,195 respectively.

More detailed information about the District’s long-term liabilities and outstanding debt can be found in Note 5 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the East Windsor Regional School District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 25A Leshin Lane, Hightstown, NJ, 08520.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2020.

East Windsor Regional School District

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,036,919	\$ 2,479,732	\$ 5,516,651
Accounts receivable	6,627,345	33,722	6,661,067
Inventories	16,780	47,595	64,375
Restricted assets:			
Cash and cash equivalents	9,110,133		9,110,133
Cash held by fiscal agent	500,786		500,786
Capital assets, non-depreciable	4,716,693		4,716,693
Capital assets, depreciable, net	95,013,674	146,261	95,159,935
Total assets	<u>119,022,330</u>	<u>2,707,310</u>	<u>121,729,640</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	725,310		725,310
Pension deferrals	5,195,874		5,195,874
Total deferred outflows of resources	<u>5,921,184</u>		<u>5,921,184</u>
Liabilities			
Accounts payable and accrued expenses	2,772,030		2,772,030
Accrued interest payable	314,283		314,283
Other liabilities	27,136		27,136
Unearned revenue	79,581	58,858	138,439
Net pension liability	21,909,701		21,909,701
Current portion of long-term obligations	2,713,661		2,713,661
Noncurrent portion of long-term obligations	20,683,611		20,683,611
Total liabilities	<u>48,500,003</u>	<u>58,858</u>	<u>48,558,861</u>
Deferred Inflow of Resources			
Pension deferrals	<u>8,483,518</u>		<u>8,483,518</u>
Net Position			
Net investment in capital assets	78,784,906	146,261	78,931,167
Restricted for:			
Capital projects	285,195		285,195
Capital reserve	6,744,034		6,744,034
Maintenance reserve	2,366,099		2,366,099
Excess surplus	1,609,279		1,609,279
Unrestricted (deficit)	(21,829,520)	2,502,191	(19,327,329)
Total net position	<u>\$ 67,959,993</u>	<u>\$ 2,648,452</u>	<u>\$ 70,608,445</u>

See accompanying notes to basic financial statements.

East Windsor Regional School District

Statement of Activities

Year ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction						
Regular Instruction	\$ 44,153,643	\$ 747,716	\$ 361,392	\$ (43,044,535)		\$ (43,044,535)
Special Education Instruction	17,611,563		1,336,466	(16,275,097)		(16,275,097)
Other Special Education Instruction	6,055,559			(6,055,559)		(6,055,559)
Other Instruction	1,966,362			(1,966,362)		(1,966,362)
Support Services						
Student and Instruction Related Services	16,037,004		399,774	(15,637,230)		(15,637,230)
School Administration	5,880,643			(5,880,643)		(5,880,643)
Other Administration Services	3,215,601			(3,215,601)		(3,215,601)
Plant Operation and Maintenance	10,282,857			(10,282,857)		(10,282,857)
Pupil Transportation	5,931,103	51,412		(5,879,691)		(5,879,691)
Charter Schools	48,568			(48,568)		(48,568)
Special Schools	104,872			(104,872)		(104,872)
Interest on long-term debt	787,111			(787,111)		(787,111)
Total governmental activities	112,074,886	799,128	2,097,632	(109,178,126)		(109,178,126)
Business-type activities						
Food service	1,496,245	626,563	1,051,250		\$ 181,568	181,568
Kid Care	548,797	451,769			(97,028)	(97,028)
Total business-type activities	2,045,042	1,078,332	1,051,250		84,540	84,540
Total primary government	\$ 114,119,928	\$ 1,877,460	\$ 3,148,882	(109,178,126)	84,540	(109,093,586)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				65,786,826		65,786,826
Property taxes, levied for debt service				3,003,784		3,003,784
Federal sources				111,466		111,466
State sources—unrestricted				45,924,198		45,924,198
Investment income				361,548		361,548
Miscellaneous				176,798		176,798
Total general revenues				115,364,620	-	115,364,620
Change in net position				6,186,494	84,540	6,271,034
Net Position—beginning				61,773,499	2,563,912	64,337,411
Net Position—ending				\$ 67,959,993	\$ 2,648,452	\$ 70,608,445

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Windsor Regional School District
Governmental Funds

Balance Sheet

June 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
Assets				
Cash and cash equivalents	\$ 2,965,360		\$ 71,559	\$ 3,036,919
Accounts receivable:				
State	762,151	\$ 743	213,436	976,530
Federal		579,519		579,519
Other	5,031,249			5,031,249
Interfund	463,249			463,249
Restricted assets:				
Cash and cash equivalents	9,110,133			9,110,133
Cash held by fiscal agent	500,786			500,786
Total assets	<u>\$ 18,832,928</u>	<u>\$ 580,262</u>	<u>\$ 285,195</u>	<u>\$ 19,698,385</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,361,228	\$ 56,269		\$ 1,417,497
Intergovernmental payables:				
State		27,010		27,010
Other liabilities	500,786	126		500,912
Interfunds payable		419,386		419,386
Unearned revenue	2,110	77,471		79,581
Total liabilities	<u>1,864,124</u>	<u>580,262</u>		<u>2,444,386</u>
Fund balances:				
Restricted for:				
Excess surplus - current year	801,377			801,377
Excess surplus - prior year - designated for subsequent year's expenditures	807,902			807,902
Capital reserve	6,744,034			6,744,034
Maintenance reserve	2,366,099			2,366,099
Capital projects			\$ 285,195	285,195
Assigned to:				
Designated for subsequent year's expenditures	135,102			135,102
Other purposes	6,114,290			6,114,290
Total fund balances	<u>16,968,804</u>	<u>-</u>	<u>285,195</u>	<u>17,253,999</u>
Total liabilities and fund balances	<u>\$ 18,832,928</u>	<u>\$ 580,262</u>	<u>\$ 285,195</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$175,076,440 and the accumulated depreciation is \$75,346,073.	99,730,367
Internal service funds are used by the District to charge the costs of the District's fuel facility fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	12,964
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(314,283)
Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the bonds.	725,310
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.	(3,287,644)
Accrued pension contributions for the June 30, 2020 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,354,533)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(21,909,701)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(22,896,486)
Net position of governmental activities (A-1)	<u>\$ 67,959,993</u>

East Windsor Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 65,786,826			\$ 3,003,784	\$ 68,790,610
Transportation fees	51,412				51,412
Tuition	747,716				747,716
Rents and royalties	13,460				13,460
Interest on investments	361,548				361,548
Miscellaneous	163,338	\$ 41,273			204,611
Total local sources	<u>67,124,300</u>	<u>41,273</u>		<u>3,003,784</u>	<u>70,169,357</u>
State sources	41,099,144	14,744		107,666	41,221,554
Federal sources	111,466	2,041,615			2,153,081
Total revenues	<u>108,334,910</u>	<u>2,097,632</u>		<u>3,111,450</u>	<u>113,543,992</u>
Expenditures					
Instruction:					
Regular instruction	27,019,329	361,392			27,380,721
Special education instruction	7,046,028	1,336,466			8,382,494
Other special instruction	3,668,783				3,668,783
Other instruction	1,143,738				1,143,738
Support services:					
Tuition	5,497,365				5,497,365
Student and instruction related services	9,862,305	399,774			10,262,079
School administration services	3,562,179				3,562,179
Other administration services	2,295,407				2,295,407
Plant operations and maintenance	7,475,062				7,475,062
Pupil transportation	4,283,391				4,283,391
Employee benefits	13,753,316				13,753,316
On-behalf pension, medical and disability contributions	11,331,268				11,331,268
On-behalf TPAF social security contributions	3,058,449				3,058,449
Capital outlay	5,346,253				5,346,253
Special schools	65,633				65,633
Debt service:					
Principal				2,180,000	2,180,000
Interest				931,450	931,450
Contribution to charter schools	48,568				48,568
Total expenditures	<u>105,457,074</u>	<u>2,097,632</u>		<u>3,111,450</u>	<u>110,666,156</u>
Net change in fund balances	2,877,836	-		-	2,877,836
Fund balances, July 1	14,090,968	-	\$ 285,195	-	14,376,163
Fund balances, June 30	<u>\$ 16,968,804</u>	<u>\$ -</u>	<u>\$ 285,195</u>	<u>\$ -</u>	<u>\$ 17,253,999</u>

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

East Windsor Regional School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2020

Total net change in fund balances - governmental funds (from B-2)	\$	2,877,836
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital additions are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense in the period.		
Depreciation expense	\$ (4,396,298)	
Capital asset additions	<u>4,619,387</u>	223,089
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. This represents the change from the prior year.		
		16,860
Governmental Funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of premium on bonds	222,423	
Amortization of deferred loss on defeasance	<u>(94,945)</u>	127,478
The Internal Service Fund is used by the District to service and charge the cost of fuel to other funds. The activity of this fund is included in the Statement of Activities.		
Change in net position	(31,045)	
Depreciation, included above	<u>2,366</u>	(28,679)
The obligations of capital leases and the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position.		
Repayment of long-term debt	2,180,000	
Payments on capital leases	<u>880,389</u>	3,060,389
In the statement of activities, certain operating expenses, e.g., compensated absences (sick and vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		
		14,707
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
Pension expense		<u>(105,186)</u>
Change in net position of governmental activities (A-2)	\$	<u>6,186,494</u>

Proprietary Funds

East Windsor Regional School District
Proprietary Funds

Statement of Net Position

June 30, 2020

	Major Funds			Governmental Activities
	Business-Type Activities - Enterprise Funds			
	Food Service	Kid Care	Totals	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,430,254	\$ 1,049,478	\$ 2,479,732	
Accounts receivable:				
State	6,319		6,319	
Federal	25,170		25,170	
Other		2,233	2,233	\$ 32,661
Inventories	47,595		47,595	16,780
Total current assets	<u>1,509,338</u>	<u>1,051,711</u>	<u>2,561,049</u>	<u>49,441</u>
Noncurrent assets:				
Equipment	1,123,626		1,123,626	67,380
Accumulated depreciation	(977,365)		(977,365)	(35,940)
Total capital assets, net	<u>146,261</u>	<u>-</u>	<u>146,261</u>	<u>31,440</u>
Total assets	<u>1,655,599</u>	<u>1,051,711</u>	<u>2,707,310</u>	<u>80,881</u>
Liabilities				
Current liabilities:				
Interfund payable				36,477
Unearned revenue	56,333	2,525	58,858	
Total current liabilities	<u>56,333</u>	<u>2,525</u>	<u>58,858</u>	<u>36,477</u>
Total liabilities	<u>56,333</u>	<u>2,525</u>	<u>58,858</u>	<u>36,477</u>
Net Position				
Investment in capital assets	146,261		146,261	31,440
Unrestricted	1,453,005	1,049,186	2,502,191	12,964
Total net position	<u>\$ 1,599,266</u>	<u>\$ 1,049,186</u>	<u>\$ 2,648,452</u>	<u>\$ 44,404</u>

East Windsor Regional School District
Proprietary Funds

Statements of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2020

	Major Funds			Governmental Activities Internal Service Fund
	Business-Type Activities - Enterprise Funds			
	Food Service	Kid Care	Totals	
Operating revenues:				
Local sources:				
Daily sales reimbursable programs	\$ 382,035		\$ 382,035	
Daily sales non-reimbursable programs	244,528		244,528	
Tuition		\$ 451,769	451,769	
Charges for services				\$ 300,530
Total operating revenues	626,563	451,769	1,078,332	300,530
Operating expenses				
Salaries	520,454	445,330	965,784	
Employee benefits	155,128	53,076	208,204	
Purchase of professional services		28,528	28,528	
Management and admin services	130,590		130,590	
Supplies and materials	48,013	21,863	69,876	329,209
Depreciation	35,055		35,055	2,366
Cost of sales - non-reimbursable programs	62,354		62,354	
Cost of sales - reimbursable programs	521,389		521,389	
Miscellaneous	23,262		23,262	
Total operating expenses	1,496,245	548,797	2,045,042	331,575
Operating (loss)	(869,682)	(97,028)	(966,710)	(31,045)
Non-operating revenues:				
State sources:				
State school lunch program	23,563		23,563	
Federal sources:				
School breakfast program	137,411		137,411	
National school lunch program	715,328		715,328	
HHFKA	22,674		22,674	
Food donation program	152,274		152,274	
Total nonoperating revenues	1,051,250		1,051,250	
Change in net position	181,568	(97,028)	84,540	(31,045)
Total net position-beginning	1,417,698	1,146,214	2,563,912	75,449
Total net position-ending	\$ 1,599,266	\$ 1,049,186	\$ 2,648,452	\$ 44,404

East Windsor Regional School District
Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2020

	Major Funds			Governmental Activities Internal Service Fund
	Business-Type Activities - Enterprise Funds			
	Food Service	Kid Care	Total	
Cash flows from operating activities:				
Receipts from customers	\$ 646,319	\$ 452,235	\$ 1,098,554	\$ 304,260
Payments to employees	(520,454)	(445,330)	(965,784)	
Payments for benefits	(155,128)	(53,076)	(208,204)	
Payments to suppliers	(809,829)	(50,391)	(860,220)	(311,420)
Net cash (used in) operating activities	<u>(839,092)</u>	<u>(96,562)</u>	<u>(935,654)</u>	<u>(7,160)</u>
Cash flows from noncapital financing activities:				
Cash received from state and federal sources	1,120,310		1,120,310	
Transfer to other funds				7,160
Net cash provided by noncapital financing activities	<u>1,120,310</u>		<u>1,120,310</u>	<u>7,160</u>
Net increase (decrease) in cash and cash equivalents	281,218	(96,562)	184,656	-
Cash and cash equivalents, beginning of year	1,149,036	1,146,040	2,295,076	-
Cash and cash equivalents, end of year	<u>\$ 1,430,254</u>	<u>\$ 1,049,478</u>	<u>\$ 2,479,732</u>	<u>\$ -</u>
Reconciliation of operating (loss) to net cash (used in) operating activities:				
Operating (loss)	\$ (869,682)	\$ (97,028)	\$ (966,710)	\$ (31,045)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:				
Depreciation	35,055		35,055	2,366
Change in assets and liabilities:				
Decrease in other accounts receivable	3,707	41	3,748	3,730
(Increase) Decrease in inventory	(22,705)		(22,705)	17,789
Decrease in accounts payable	(1,516)		(1,516)	
Increase in unearned revenue	16,049	425	16,474	
Net cash (used in) operating activities	<u>\$ (839,092)</u>	<u>\$ (96,562)</u>	<u>\$ (935,654)</u>	<u>\$ (7,160)</u>

Noncash noncapital financing activities:

The District received \$166,066 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2020.

Fiduciary Funds

East Windsor Regional School District
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2020

	Private-Purpose Scholarship Trust Fund	Unemployment Compensation Trust Fund	Agency Funds
Assets			
Cash and cash equivalents	\$ 596	\$ 1,391,674	\$ 420,300
Investments	38,802		
Total assets	39,398	1,391,674	420,300
Liabilities			
Accounts payable		23,443	
Payroll deductions and withholdings payable			\$ 8,397
Interfund payable			7,386
Due to student groups			404,517
Total liabilities		23,443	\$ 420,300
Net position			
Held in trust for unemployment claims		\$ 1,368,231	
Held in trust for scholarships	\$ 39,398		

East Windsor Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2020

	<u>Private-Purpose Scholarship Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>
Additions		
Interest income	\$ 452	\$ 22,843
Scholarship contributions	9,660	
Employee contributions		126,337
Federal Source: COVID-19 Cares Act - Unemployment Relief		28,902
Change in investment value	860	
Total additions	<u>10,972</u>	<u>178,082</u>
Deductions		
Scholarship payments	13,286	
Miscellaneous	175	
Unemployment payments		190,270
Total deductions	<u>13,461</u>	<u>190,270</u>
Change in net position	(2,489)	(12,188)
Net position-beginning	41,887	1,380,419
Net position-ending	<u>\$ 39,398</u>	<u>\$ 1,368,231</u>

East Windsor Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2020

1. Summary of Significant Accounting Policies

The financial statements of the East Windsor Regional School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are disclosed below:

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the East Windsor Regional School District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function 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. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education (DOE) requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

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 all revenue to be available if they are collected within 60 days of the end of the current fiscal year. 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, the net pension liability and capital leases, are recorded only when payment is due.

Property taxes, interest, and state aid 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 year. All other revenue items are considered to be measurable and available only when the District receives cash.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

The District has reported 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 subfund.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid 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 accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Food Service Enterprise Fund: The food service enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. This 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 or other entities on a continuing basis are financed or recovered primarily through user charges.

Kid Care Enterprise Fund: This fund accounts for the revenues and expenses pertaining to the District's extended day care program.

Fueling Facility Internal Service Fund: The District's internal service fund provides services and fuel for the District's vehicles, and certain limited outside parties through shared service agreements.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Additionally, the District reports the following fund types:

Fiduciary funds of the District include the unemployment compensation trust fund, private-purpose scholarship trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Trust Funds: The unemployment compensation and private-purpose scholarship funds are accounted for in essentially the same manner as governmental funds. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private-purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

Agency Funds (Payroll and Student Activity Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food and tuition. Operating expenses for proprietary funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statements of net position and revenue is recognized.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties and the Township of East Windsor and Borough of Hightstown Tax Collectors are responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds and submitted to the county office. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

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

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

E. Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with the GASB. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

F. Interfund Receivables/Payables

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

G. Inventories

Inventories that benefit future periods, other than those recorded in the proprietary fund, are recorded as an expenditure during the year of purchase.

Proprietary funds inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2020, the unused Food Donation Program commodities of \$16,747 are reported as unearned revenue in the food service enterprise fund.

H. Capital Assets

Capital assets, which include land, construction in progress, site and site improvements, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their acquisition value on the date of acquisition.

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Capital assets, being depreciated, of the District are depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Machinery and equipment	2-20
Buildings	40
Building improvements	20
Vehicles	5-10

I. Compensated Absences

A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees earn vacation and sick leave in varying amounts under the District’s existing collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,225,715 and no liability existed for compensated absences in the proprietary fund types.

J. 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 future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. The District has two items that qualify for reporting in this category, including deferred loss from the refunding of debt and deferred amounts related to pensions.

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 amounts related to pensions.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

K. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 issuances are reported as other financing uses.

L. Deferred Loss on Defeasance of Debt

Deferred loss on defeasance of debt arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2020, the District has recorded an unamortized balance of \$725,310 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2020 was \$94,945.

M. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. Unearned revenue in the food service enterprise fund represents unused food donation commodities and student deposits made for the use of purchasing food in a future period. Unearned revenue in the general fund represents cash which has been received but not yet earned.

N. Net Position

Net Position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities in the Government-wide financial statements. Net investment in capital assets is reported net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net positions are reported as restricted in the Government-wide and fund financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

O. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (“GASB 54”) established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The District’s highest level of decision-making authority is the Board of Education (the “Board”) and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

Of the \$16,968,804 of fund balances in the General Fund, \$6,246,339 of encumbrances which is offset by \$132,049 of an unassigned deficit is assigned to other purposes, \$807,902 has been classified as restricted excess surplus – prior year – designated for subsequent year’s expenditures, \$801,377 has been classified as restricted excess surplus – current year, \$9,110,133 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$2,366,099 and \$6,744,034, respectively, and \$135,102 is assigned to designated for subsequent year’s expenditures.

All of the fund balance in the Capital Projects Fund of \$285,195 is restricted for capital projects.

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$4,792,848 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District’s annual budget.

R. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the General Fund 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 District has excess fund balance at June 30, 2020 in the amount of \$1,669,279. Of this amount, \$807,902 has been appropriated in the 2020/21 budget and the remaining \$801,377, which was generated during the 2020 fiscal year, will be appropriated in the 2021/22 budget.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

S. GASB Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not yet determined the impact of this Statement on the financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* in June 2018. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* in August 2018. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has determined that this Statement did not impact the District's financial statements.

The GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement establishes a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2020. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

1. Summary of Significant Accounting Policies (continued)

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 11, 2021, the date that the financial statements were available for issuance. The effect of those events and transactions that provide additional pertinent information about conditions that existed at the balance sheet and statement of net position date, have been recognized in the accompanying financial statements.

As of June 30, 2020, District operations and the ways in which education is provided have been disrupted by the outbreak of the novel coronavirus COVID-19. Going forward, COVID-19 could further limit the District's operations, including unexpected deferrals of tax payments from the municipalities, deferrals or reductions in state aid or an increase in expenses associated with this or any other potential infectious disease outbreak. District management cannot reasonably predict how long the Pandemic in New Jersey is expected to last and how the outbreak may impact the financial condition or operations of the District. District management continues to monitor the Pandemic and plans to take action to address any significant impact on future operations.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, unamortized premiums, and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$22,896,486 difference are as follows:

Bonds payable	\$	19,875,000
Premium on bonds		1,795,771
Compensated absences payable		1,225,715
Net adjustment to reduce fund balance-total governmental funds to arrive at net position - governmental activities	\$	<u>22,896,486</u>

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

3. Deposits and Investments

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

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

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

Deposits

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

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

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

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

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

3. Deposits and Investments (continued)

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

At June 30, 2020 the carrying amount of the District's deposits was \$16,478,791 the bank balance was \$20,410,291 (not including mutual funds). Of the bank balance, \$251,869 of the District's cash deposits on June 30, 2020 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$19,489,597. \$668,825 held in the District's agency accounts are not covered by GUDPA. The District also has \$500,786 of funds held with fiscal agent at June 30, 2020 related to lease funds not utilized by the District.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40") requires that the District disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the District would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the District. The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

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

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund and New Jersey Asset and Rebate Management Fund.

The following presents the investments held in the Private-Purpose Scholarship Trust Fund at June 30, 2020:

Investment Type	Fair Value	Investment Maturities Less than 1 year
Mutual Funds	\$38,802	\$38,802
Total investments	\$38,802	\$38,802

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

3. Deposits and Investments (continued)

The investments in mutual funds are recorded as investments in the Private-Purpose Scholarship Trust Fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles for governmental entities. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table sets forth by level, within fair value hierarchy, the investment assets at fair value as of June 30, 2020:

	Assets at Fair Value As of June 30, 2020	
	<u>Level 1</u>	<u>Total</u>
Mutual Funds	\$38,802	\$38,802
	<u>\$38,802</u>	<u>\$38,802</u>

Custodial Credit Risk: All of the District's investments are uncollateralized. Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk for its investment.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The mutual funds are not rated by a rating agency.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2020, no more than 5% of the District's investments were in any one security.

Interest Rate Risk: The District does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2020:

	Beginning Balance	Increases	Transfers/ Dispositions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 149,550			\$ 149,550
Construction in progress	2,085,117	\$ 3,627,361	\$ (1,145,335)	4,567,143
Total capital assets, not being depreciated	2,234,667	3,627,361	(1,145,335)	4,716,693
Capital assets, being depreciated				
Site and site improvements	5,906,680	2,402		5,909,082
Buildings and building improvements	150,292,907	134,100	1,145,335	151,572,342
Machinery, equipment, and vehicles	11,955,419	855,524		12,810,943
Machinery, equipment - Internal Service	67,380			67,380
Total capital assets being depreciated	168,222,386	992,026	1,145,335	170,359,747
Less accumulated depreciation for:				
Site and site improvements	2,987,469	325,615		3,313,084
Buildings and building improvements	58,842,075	3,683,298		62,525,373
Machinery, equipment, and vehicles	9,086,657	385,019		9,471,676
Machinery, equipment - Internal Service	33,574	2,366		35,940
Total accumulated depreciation	70,949,775	4,396,298	-	75,346,073
Total capital assets being depreciated, net	97,272,611	(3,404,272)	1,145,335	95,013,674
Governmental activities capital assets, net	\$ 99,507,278	\$ 223,089	\$ -	\$ 99,730,367

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

4. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	1,758,468
Special Education Instruction		538,347
Other Special Instruction		235,620
Other Instruction		73,454
Student and Instruction Related Services		659,059
School Administration Services		228,773
Other Administration Services		147,417
Plant Operations and Maintenance		480,069
Pupil Transportation		275,091
	<u>\$</u>	<u>4,396,298</u>

The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 1,123,626		\$ 1,123,626
Less accumulated depreciation for:			
Equipment	942,310	\$ 35,055	977,365
Total business-type activities capital assets, net	<u>\$ 181,316</u>	<u>\$ (35,055)</u>	<u>\$ 146,261</u>

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

5. Long-Term Liabilities

During the fiscal year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,240,422	\$ 173,286	\$ 187,993	\$ 1,225,715	\$ 61,286
Bonds payable	22,055,000		2,180,000	19,875,000	2,230,000
Premium on bonds	2,018,194		222,423	1,795,771	222,423
Obligations under capital leases	880,389	500,786	880,389	500,786	199,952
Subtotal	26,194,005	674,072	3,470,805	23,397,272	2,713,661
Net pension liability	23,415,195		1,505,494	21,909,701	
Total governmental activities long-term liabilities	<u>\$ 49,609,200</u>	<u>\$ 674,072</u>	<u>\$ 4,976,299</u>	<u>\$ 45,306,973</u>	<u>\$ 2,713,661</u>

The District expects to liquidate the balance in compensated absences with payments made from the District's general fund. Obligations under capital leases will be liquidated with payments from the general fund. Bonds payable will be liquidated with payments from the debt service fund. The net pension liability will be liquidated with payments from the general fund.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipalities through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

Bonds payable at June 30, 2020 are comprised of the following issues:

\$29,900,000, 2012 refunding bonds, due in annual installments ranging from \$1,830,000 to \$2,115,000 through March 1, 2029 at interest rates ranging from 4.00% to 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2020, no defeased debt remains outstanding.

\$3,280,000, 2015 refunding bonds, due in annual installments ranging from \$375,000 to \$400,000 through July 15, 2023 at an interest rate of 3.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2020, no defeased debt remains outstanding.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

5. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding at June 30, 2020 are as follows:

Fiscal year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,230,000	\$ 830,800	\$ 3,060,800
2022	2,285,000	727,375	3,012,375
2023	2,410,000	621,100	3,031,100
2024	2,455,000	508,625	2,963,625
2025	2,115,000	419,800	2,534,800
2026-2029	8,380,000	836,400	9,216,400
	<u>\$ 19,875,000</u>	<u>\$ 3,944,100</u>	<u>\$ 23,819,100</u>

Bonds Authorized But Not Issued

As of June 30, 2020, the District does not have any authorized but not issued bonds.

Capital Leases

Governmental Funds

The District has a capital lease outstanding for technology equipment with an interest rate of 0%. No capital assets under the lease were received as of June 30, 2020. The following is a schedule of the future minimum lease payments under this capital lease and the present value of the net future minimum lease payments at June 30, 2020:

<u>Fiscal Year</u>	<u>Amounts</u>
Year Ending June 30:	
2021	\$ 199,952
2022	150,417
2023	150,417
Total minimum lease payment	<u>500,786</u>
Less amount representing interest	-
Present value of net future minimum lease payments	<u>\$ 500,786</u>

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65,

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS are 7.5%. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2020, the State of New Jersey contributed \$11,331,268 to the TPAF for post-retirement medical benefits and other pension 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 \$3,058,449 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2020, 2019, and 2018 were \$1,182,892, \$1,059,837, and \$1,054,737, respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

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

Public Employee's Retirement System (PERS)

At June 30, 2020, the District reported a liability of \$21,909,701 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.1215957017 percent, which was an increase of 0.0026734690 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized full accrual pension expense of \$1,287,959 in the government-wide financial statements. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,187,764	\$ 7,604,788
Difference between expected and actual experience	393,250	96,787
Net difference between projected and actual earnings on pension plan investments		345,853
Changes in proportion and differences between District contributions and proportionate share of contributions	1,260,327	436,090
District contributions subsequent to the measurement date	1,354,533	
	\$ 5,195,874	\$ 8,483,518

\$1,354,533 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Year ended June 30:		
2021	\$	(439,626)
2022		(1,883,256)
2023		(1,599,863)
2024		(651,757)
2025		(67,675)
	<u>\$</u>	<u>(4,642,177)</u>

Additional Information

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 included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

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. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 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 of 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 on a generational basis. Mortality improvement is based on Scale MP-2019.

Long-Term Rate of Return

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real 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%
	100.00%	

Discount rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019 and 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% 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 made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan member through June 30, 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2019 calculated using the discount rate as disclosed on the previous page as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	At 1% decrease (5.28%)	At current discount rate (6.28%)	At 1% increase (7.28%)
State's proportionate share of the net pension liability associated with the District	\$ 27,675,513	\$ 21,909,701	\$ 17,051,188

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the local group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 3,149,522,616
Deferred inflows of resources	\$ 7,645,087,574
Net pension liability	\$ 18,143,832,135
District's Proportion	0.1215957017%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$974,471,686.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined July 1, 2019, 2018, 2017, 2016, 2015, and 2014 is 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2019 was \$221,258,274. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3605261060 percent, which was an increase of 0.0051943304 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$11,331,268 for contributions incurred by the State.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality Rates

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 experience study for the period July 1, 2015 to June 30, 2018.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (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) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Divisions 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 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real 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%
	100.00%	

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019 and 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term 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 made based on the contribution rate in the most recent fiscal year. The State contributed 70% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	At 1% decrease (4.60%)	At current discount rate (5.60%)	At 1% increase (6.60%)
State's proportionate share of the net pension liability associated with the District	\$ 260,912,477	\$ 221,258,274	\$ 188,357,807

Pension plan fiduciary net position

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

6. Pension Plans (continued)

Additional Information

Collective balances of the local group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 10,077,460,797
Deferred inflows of resources	\$ 17,525,379,167
Net pension liability	\$ 61,370,943,870
District's Proportion	0.3605261060%

Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2019 is \$3,642,191,152.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2019, 2018, 2017, 2016, 2015, and 2014 is 8.04, 8.29, 8.3, 8.3, 8.3, and 8.5 years, respectively.

7. Post-Retirement Benefits

Plan descriptions and benefits provided

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health benefits) for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers. The State Health Benefits Program 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. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage. In Fiscal Year 2018, the State paid PRM benefits for 153,893 State and local retirees.

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 total nonemployer OPEB liability does not include certain other postemployment obligations that are provided by the local education employers.

The State's contributions to the Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2020, 2019 and 2018 were \$3,063,402, \$3,283,646, and \$3,461,761 respectively, which equaled the required contributions for each year.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 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 2018 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.

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. For Fiscal Year 2019, the total OPEB liability for the state is \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the \$90.5 billion liability recorded in Fiscal Year 2018.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

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 GASBS No. 75.

Total OPEB Liability

The net OPEB liability from New Jersey's plan is \$41,729,081,045.

Changes in Total OPEB Liability

Below represents the changes in the District's total OPEB liability for the year ended June 30, 2020:

	<u>Total OPEB Liability</u>
Beginning Total OPEB Liability, June 30, 2018	\$ 164,014,658
Charges for the year:	
Service cost	5,428,315
Interest	6,472,080
Difference between actual and expected	(24,169,007)
Changes in assumptions or other inputs	2,229,380
Member contributions	136,056
Benefit payments	(4,589,868)
Net changes	(14,493,044)
Ending Total OPEB Liability, June 30, 2019	\$ 149,521,614

Employees covered by benefit terms

The following employees were covered by the benefit terms:

<u>Local Education Group</u>	<u>June 30, 2019</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	364,943

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective total OPEB liability on the Statement of Net Position. The State's proportionate share of the total OPEB liability associated with the District as of June 30, 2020 was \$149,521,614. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Actuarial assumptions and other inputs

The total nonemployer OPEB liability in the 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:

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

The total nonemployer 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 used in the June 30, 2018 valuation were based on the results of the actual experience studies for the periods July 1, 2015 – June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

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 Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. 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.

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%.

The following represents sensitivity of total non-employer OPEB liability to changes in the discount rate and health care cost rate

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2019 calculated using a 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-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	At 1% decrease (2.50%)	At current discount rate (3.50%)	At 1% increase (4.50%)
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 176,644,113	\$ 149,521,614	\$ 127,976,988

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

7. Post-Retirement Benefits (continued)

The following presents the total non-employer OPEB liability associated with the District as of June 30, 2019 calculated using a healthcare cost trend rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	At Healthcare Cost Trend Rates	At 1% increase
Total OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 125,026,553	\$ 149,521,614	\$ 184,367,157

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

For the year ended June 30, 2019, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$77,819 for OPEB expenses incurred by the State.

Collective balances of the Local Education Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 1,921,145,183
Deferred inflows of resources	\$ 20,887,539,826
Collective OPEB Expense	\$ 1,015,664,874
District's Proportion	0.36%

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State, therefore, the District records an expense and corresponding revenue for its respective share of total OPEB expense and revenue attributable to the State of New Jersey.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2020 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 463,249	
Special Revenue Fund		\$ 419,386
Internal Service Fund - Fueling Facility		36,477
Payroll Agency Fund		7,386
	<u>\$ 463,249</u>	<u>\$ 463,249</u>

The interfund receivable in the General Fund of \$463,249 is comprised of an interfund payable from the special revenue fund in the amount of \$419,386, internal service fund – fueling facility in the amount of \$36,477 and payroll agency fund in the amount of \$7,386, which represent short-term loans to provide on funds with sufficient cash flow until cash is received for accounts receivable. All interfunds are expected to be repaid within one year.

9. Economic Dependency

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

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2020 may be impaired. In addition, the District received funding from the New Jersey Schools Development Authority (NJSDA), in connection with certain approved projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirement, refunds of any money received may be required.

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

10. Contingent Liabilities (continued)

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

11. Risk Management

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

The District participates in the NJSBA Insurance Group and public entity risk pool. The risk pool provides its members with the following coverages:

Property – Blanket Building & Grounds	General and Automobile Liability
Boiler and Machinery	Workers' Compensation
School Board Legal Liability	Crime Coverage

New Jersey Unemployment Compensation Insurance

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

12. Deferred Compensation Plans

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

Aetna/ING Direc	American Century	Ameriprise Financial	AIM Investments
AXA Equitable	H.C. Copeland/Metlife #64	Fidelity	Valic
Janus Group	Lincoln Financial	Lincoln Investment	Prudential
NEA/Security Benefit	Oppenheimer	Metlife Annuity #78	Putnam

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

12. Deferred Compensation Plans (continued)

Travelers/Metlife #79	United Way	USAA Life	Vanguard
Great American/Galic			

Participant's rights under the plans are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan.

13. Restricted Assets

The funds set aside for capital and maintenance reserve are classified as restricted assets (cash and cash equivalents) as they are restricted for use for future capital projects and maintenance requirements, as well as the funds held with fiscal agent related to capital lease proceeds.

14. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution on June 8, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The 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:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance July 1, 2019	\$	3,045,999
Withdrawals:		
Approved in 2019-20 budget		(950,000)
Deposits:		
Interest earned		100
Deposit into Maintenance Reserve (June 2020 Board Resolution)		270,000
Ending balance, June 30, 2020	\$	2,366,099

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

14. Maintenance Reserve Account (continued)

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2020. The District has budgeted \$1,720,000 of the June 30, 2020 maintenance reserve balance in its 2020-21 fiscal year budget.

15. Capital Reserve Account

A capital reserve account was established by the District in July 1, 2001, by way of a Board resolution, and issued for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance July 1, 2019	\$ 5,993,934
Withdrawals:	
Capital Outlay – Budgeted Withdrawal	(1,250,000)
Deposits:	
Interest earned on capital reserve funds	100
Deposit into Capital Reserve (June 2020 Board Resolution)	2,000,000
Ending balance, June 30, 2020	<u>\$ 6,744,034</u>

The June 30, 2020 long-range facility plan (LRFP) balance of local support costs of uncompleted projects exceeds the amount set aside in the capital reserve. The District has budgeted \$1,500,000 of the June 30, 2020 capital reserve balance in its 2020-21 fiscal year budget.

16. Commitments

The District has contracts with several vendors for goods and services that have not been received as of June 30, 2020. These encumbrances, in the amount of \$6,246,339, are recorded as part of the assigned to other purposes on the general fund balance sheet.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

17. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$78,784,966 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$ 99,730,367
Bonds payable (used to build or acquire capital assets)	(19,875,000)
Unamortized premium	(1,795,771)
Deferred loss on defeasance of debt	725,310
Total net investment in capital assets	<u>\$ 78,784,906</u>

18. Deficit Fund Balances

The District has a deficit fund balance of \$132,049 in the General Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). N.J.S.A 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable.

19. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreement will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2020

19. Tax Abatements (continued)

East Windsor Township provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by East Windsor Township are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school and county taxes.

East Windsor Township recognized revenue of \$978,933 from the annual service charge in lieu of payment of taxes in 2019 and taxes in 2019 that otherwise would have been due on these long-term tax exemptions amount to \$572,152, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$406,782 abatement would have been allocated to the District. Hightstown Borough does not currently have any such long-term tax exemptions in place.

20. Liquidity, Management Plans and Intentions

Due to the COVID-19 Pandemic, the District closed its schools on March 16, 2020 and continued to provide online instruction to its students through the end of the school year. The Pandemic did not have a significant impact on the financial statement of the District for the year ended June 30, 2020. However, the Pandemic did result in the State of New Jersey taking steps to reduce the amount of state aid to be provided to the District in the 2020-21 fiscal year subsequent to the District's adoption of its budget. Management has taken steps to reduce certain expenses related to operating the District and also plans to utilize existing funds to balance its budget for the 2020-21 fiscal year, if needed. Management believes that the unassigned fund balance available as of June 30, 2020 and the anticipated revenues from state aid, taxes and other revenues will be sufficient to meet the District's financial needs for one year from the date of the issuance of this report.

Required Supplementary Information – Part II

Schedules Related to Accounting and Reporting for
Pensions (GASB 68) and Other Post-Employment Benefits
Other Than Pensions (GASB 75)

East Windsor Regional School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee's Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District's proportion of the net pension liability (asset) - Local Group	0.1215957017%	0.1189222327%	0.1144046609%	0.1187251190%	0.1176478520%	0.1180527689%	0.1139395185%	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 21,909,701	\$ 23,415,195	\$ 26,651,576	\$ 35,162,975	\$ 26,409,585	\$ 22,102,707	\$ 21,776,106	n/a	n/a	n/a
District's covered-employee payroll	\$ 8,696,143	\$ 8,291,053	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262	\$ 8,255,842
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	251.95%	282.42%	330.95%	445.10%	325.78%	273.72%	274.97%	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	n/a	n/a	n/a

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

East Windsor Regional School District
 Schedule of District Contributions
 Public Employee's Retirement System
 Required Supplementary Information

Last Ten Fiscal Years

	Year Ended June 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 1,182,892	\$ 1,059,837	\$ 1,054,737	\$ 1,046,372	\$ 1,021,477	\$ 983,231	\$ 868,532	\$ 934,611	\$ 837,121	\$ 629,897
Contributions in relation to the contractually required contribution	(1,182,892)	(1,059,837)	(1,054,737)	(1,046,372)	(1,021,477)	(983,231)	(868,532)	(934,611)	(837,121)	(629,897)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 8,874,466	\$ 8,696,143	\$ 8,291,053	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262
Contributions as a percentage of covered-employee payroll	13.33%	12.19%	12.72%	13.00%	12.93%	12.13%	10.76%	11.80%	10.92%	8.33%

East Windsor Regional School District
 Schedule of the State's Proportionate Share of the Net Pension
 Liability Associated with the District
 Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,						
	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3605261060%	0.3553317756%	0.3697162402%	0.3616411567%	0.3588673050%	0.3524449084%	0.3442334350%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 221,258,274	\$ 226,054,443	\$ 249,276,021	\$ 284,489,960	\$ 226,819,461	\$ 188,370,333	\$ 173,972,871
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 221,258,274</u>	<u>\$ 226,054,443</u>	<u>\$ 249,276,021</u>	<u>\$ 284,489,960</u>	<u>\$ 226,819,461</u>	<u>\$ 188,370,333</u>	<u>\$ 173,972,871</u>
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

East Windsor Regional School District
 Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
 and Changes in the Total OPEB Liability and Related Ratios
 Public Employee's Retirement System and Teachers' Pension and Annuity Fund
 Required Supplementary Information

Last Ten Fiscal Years*

	Year Ended June 30,			
	2020	2019	2018	2017
State's proportion of the net OPEB liability (asset) associated with the District	0.36%	0.36%	0.35%	0.36%
District's proportionate share of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 149,521,614	\$ 164,014,658	\$ 190,341,937	\$ 206,215,591
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 149,521,614</u>	<u>\$ 164,014,658</u>	<u>\$ 190,341,937</u>	<u>\$ 206,215,591</u>
Plan fiduciary net position as a percentage of the total OPEB liability -	0.00%	0.00%	0.00%	0.00%
	2020	2019	2018	2017**
Total OPEB Liability				
Service cost	\$ 5,428,315	\$ 5,976,104	\$ 7,223,585	
Interest cost	6,472,080	6,953,062	6,022,931	
Changes of assumptions and experience and other inputs	(21,939,627)	(35,022,328)	(24,873,787)	
Member contributions	136,056	151,577	162,340	
Gross benefit payments	(4,589,868)	(4,385,694)	(4,408,723)	
Net change in total OPEB liability	<u>(14,493,044)</u>	<u>(26,327,279)</u>	<u>(15,873,654)</u>	
Total OPEB liability - beginning	<u>164,014,658</u>	<u>190,341,937</u>	<u>206,215,591</u>	
Total OPEB liability - ending	<u>\$ 149,521,614</u>	<u>\$ 164,014,658</u>	<u>\$ 190,341,937</u>	
Covered-employee payroll	\$ 48,450,339	\$ 47,091,773	\$ 45,239,473	
Total OPEB liability as a percentage of covered-employee payroll	308.61%	348.29%	420.74%	

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

** information not available.

East Windsor Regional School District

Notes to Required Supplementary Information
Year Ended June 30, 2020

1. PENSION - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

2. PENSION - TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019.

3. OTHER POST-RETIREMENT BENEFIT PLAN - PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 65,786,826		\$ 65,786,826	\$ 65,786,826	
Tuition from other LEAs within the State	378,843		378,843	747,716	\$ 368,873
Transportation fees from other LEAs within the State	60,000		60,000	51,412	(8,588)
Rents and Royalties	235,000		235,000	13,460	(221,540)
Interest Earned on Investments	200		200	361,548	361,348
Miscellaneous	275,000		275,000	163,338	(111,662)
Total - Local Sources	66,735,869		66,735,869	67,124,300	388,431
State Sources:					
Equalization Aid	18,505,200		18,505,200	18,505,200	
Categorical Special Education Aid	4,472,603		4,472,603	4,472,603	
Transportation Aid	2,095,914		2,095,914	2,095,914	
Security Aid	1,255,961		1,255,961	1,255,961	
Additional Non-Public Transportation Aid				24,071	24,071
Extraordinary Aid	210,000		210,000	586,896	376,896
TPAF Pension (On-Behalf - Non-Budgeted)				8,257,556	8,257,556
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				3,063,402	3,063,402
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)				10,310	10,310
TPAF Social Security (Reimbursed - Non-Budgeted)				3,058,449	3,058,449
Total - State Sources	26,539,678		26,539,678	41,330,362	14,790,684
Federal Sources:					
Medical Assistance Program	119,786		119,786	111,466	(8,320)
Total - Federal Sources	119,786		119,786	111,466	(8,320)
Total Revenues	93,395,333		93,395,333	108,566,128	15,170,795
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,050,707	\$ (9,494)	1,041,213	991,213	50,000
Grades 1-5 - Salaries of Teachers	9,105,739	(380,734)	8,725,005	8,492,998	232,007
Grades 6-8 - Salaries of Teachers	5,972,076	298,031	6,270,107	6,064,516	205,591
Grades 9-12 - Salaries of Teachers	8,613,386	(88,621)	8,524,765	8,299,642	225,123
Regular Programs - Home Instruction					
Salaries of Teachers		45,760	45,760	42,548	3,212
Purchased Professional-Educational Services	82,700	9,793	92,493	91,741	752
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	969,290	39,645	1,008,935	976,430	32,505
Purchased Technical Services	309,798	110,005	419,803	374,447	45,356
Other Purchased Services	2,700	(2,700)			
General Supplies	1,889,762	(315,163)	1,574,599	1,249,974	324,625
Textbooks	610,756	(116,326)	494,430	430,939	63,491
Other Objects	8,850	(1,650)	7,200	4,881	2,319
TOTAL REGULAR PROGRAMS - INSTRUCTION	28,615,764	(411,454)	28,204,310	27,019,329	1,184,981
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Purchased Professional-Educational Services	7,500	25,819	33,319	26,305	7,014
Total Cognitive - Mild	7,500	25,819	33,319	26,305	7,014
Learning and/or Language Disabilities					
Salaries of Teachers	614,931	(5,631)	609,300	609,116	184
Other Salaries for Instruction	222,133	(50,693)	171,440	166,328	5,112
General Supplies	3,700		3,700	3,700	
Total Learning and/or Language Disabilities	840,764	(56,324)	784,440	779,144	5,296
Multiple Disabilities					
Salaries of Teachers	180,739	40,000	220,739	217,813	2,926
Other Salaries for Instruction	33,917	125,485	159,402	155,089	4,313
Purchased Professional-Educational Services	7,500		7,500		7,500
General Supplies	4,000		4,000	3,753	247
Other Objects		1,000	1,000	215	785
Total Multiple Disabilities	226,156	166,485	392,641	376,870	15,771

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	\$ 4,869,769	\$ (460,783)	\$ 4,408,986	\$ 4,408,986	\$
Other Salaries for Instruction	219,553		219,553	211,995	7,558
Purchased Professional-Educational Services	200,000	(50,400)	149,600	147,046	2,554
General Supplies	4,500		4,500	4,399	101
Total Resource Room/Resource Center	5,293,822	(511,183)	4,782,639	4,772,426	10,213
Autism					
Salaries of Teachers	451,701	(35,149)	416,552	416,552	
Other Salaries for Instruction	263,362	(146,594)	116,768	112,869	3,899
Purchased Professional-Educational Services		876	876	455	421
General Supplies	6,000		6,000	6,000	
Total Autism	721,063	(180,867)	540,196	535,876	4,320
Preschool Disabilities - Part-Time					
Salaries of Teachers	338,036	30,883	368,919	368,919	
Other Salaries for Instruction	142,464	44,275	186,739	181,023	5,716
Purchased Professional-Educational Services		1,859	1,859	1,465	394
General Supplies	4,000		4,000	4,000	
Total Preschool Disabilities - Part-Time	484,500	77,017	561,517	555,407	6,110
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,573,805	(479,053)	7,094,752	7,046,028	48,724
Basic Skills/Remedial - Instruction					
Salaries of Teachers	956,963	(101,803)	855,160	855,160	
Purchased Professional-Educational Services		3,729	3,729	1,656	2,073
Total Basic Skills/Remedial - Instruction	956,963	(98,074)	858,889	856,816	2,073
Bilingual Education - Instruction					
Salaries of Teachers	2,428,981	283,728	2,712,709	2,709,984	2,725
Other Salaries for Instruction	33,917	32	33,949	32,929	1,020
Purchased Professional-Educational Services	7,500	(4,000)	3,500	2,961	539
General Supplies	64,000	13,556	77,556	51,702	25,854
Textbooks	19,200		19,200	14,391	4,809
Total Bilingual Education - Instruction	2,553,598	293,316	2,846,914	2,811,967	34,947
School-Spon. Co-curricular Actvts. - Inst.					
Salaries	354,450	1,551	356,001	315,382	40,619
Purchased Services	5,500	8,936	14,436	7,745	6,691
Supplies and Materials	56,250	(36,461)	19,789	16,385	3,404
Other Objects	36,350	(2,075)	34,275	19,047	15,228
Total School-Spon. Co-curricular Actvts. - Inst.	452,550	(28,049)	424,501	358,559	65,942
School-Spon. Athletics					
Salaries	772,985	(93,888)	679,097	601,254	77,843
Purchased Services	82,510	13,015	95,525	73,035	22,490
Supplies and Materials	67,667	(5,371)	62,296	44,898	17,398
Other Objects	12,095	780	12,875	11,896	979
Total School-Spon. Athletics	935,257	(85,464)	849,793	731,083	118,710
Other Supplementary/At-Risk Program- Instruction					
Salaries of Teachers	60,000	(7,800)	52,200	51,643	557
General Supplies	20,000	(17,547)	2,453	2,453	
Total Other Supplementary/At-Risk Program- Instruction	80,000	(25,347)	54,653	54,096	557
TOTAL INSTRUCTION	41,167,937	(834,125)	40,333,812	38,877,878	1,455,934

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular	\$ 24,000	\$ (690)	\$ 23,310	\$ 19,585	\$ 3,725
Tuition to County Voc. School Dist. - Regular	732,300		732,300	711,368	20,932
Tuition to CSSD and Regional Day Schools	3,669,507	(335,743)	3,333,764	3,251,755	82,009
Tuition to Private Schools for the Disabled - Within State	1,471,102	30,204	1,501,306	1,344,386	156,920
Tuition - State Facilities	75,000	(75,000)			
Tuition - Other	105,428	71,593	177,021	170,271	6,750
Total Undistributed Expenditures - Instruction	6,077,337	(309,636)	5,767,701	5,497,365	270,336
Undistributed Expend. - Attend. and Social Work					
Salaries	106,444	358	106,802	102,372	4,430
Purchased Professional and Technical Services	11,600	(3,000)	8,600	6,360	2,240
Other Purchased Services	500	(400)	100		100
Supplies and Materials	3,000	441	3,441	2,798	643
Total Undistributed Expend. - Attend. and Social Work	121,544	(2,601)	118,943	111,530	7,413
Undist. Expend. - Health Services					
Salaries	746,083	28,990	775,073	772,663	2,410
Purchased Professional and Technical Services	40,480	1,620	42,100	40,113	1,987
Supplies and Materials	17,550	188	17,738	14,536	3,202
Total Undistributed Expenditures - Health Services	804,113	30,798	834,911	827,312	7,599
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	708,597	(39,725)	668,872	668,250	622
Purchased Professional - Educational Services	14,500	(14,500)			
Supplies and Materials	5,000		5,000	4,993	7
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	728,097	(54,225)	673,872	673,243	629
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	462,562	79,479	542,041	527,185	14,856
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	462,562	79,479	542,041	527,185	14,856
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,592,662	149,188	1,741,850	1,741,800	50
Salaries of Secretarial and Clerical Assistants	80,246	76	80,322	77,909	2,413
Purchased Professional - Educational Services		1,000	1,000		1,000
Other Purchased Prof. and Tech. Services	25,000		25,000	17,843	7,157
Other Purchased Services	2,600	(2,140)	460		460
Supplies and Materials	37,075	(2,731)	34,344	25,167	9,177
Other Objects	2,400		2,400	645	1,755
Total Undist. Expend. - Guidance	1,739,983	145,393	1,885,376	1,863,364	22,012
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	2,067,409	47,622	2,115,031	2,102,236	12,795
Salaries of Secretarial and Clerical Assistants	168,195	71	168,266	165,351	2,915
Purchased Prof. - Educational Services	668,900	92,767	761,667	545,033	216,634
Other Purchased Prof. and Tech. Services	39,721	(15,234)	24,487	24,487	
Other Purchased Services	26,500	(13,500)	13,000	9,544	3,456
Supplies and Materials	72,500	8,550	81,050	65,592	15,458
Other Objects	7,000		7,000	5,284	1,716
Total Undist. Expend. - Child Study Teams	3,050,225	120,276	3,170,501	2,917,527	252,974
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	967,025	28,905	995,930	985,350	10,580
Salaries of Secretarial and Clerical Assistants	98,243	(25,178)	73,065	61,637	11,428
Other Salaries	34,000	(16,035)	17,965	17,965	
Purchased Prof. - Educational Services	112,400	51,971	164,371	105,360	59,011
Other Purchased Services	1,200		1,200		1,200
Supplies and Materials	31,250		31,250	5,643	25,607
Other Objects	14,655		14,655	9,760	4,895
Total Undist. Expend. - Improvement of Inst. Serv.	1,258,773	39,663	1,298,436	1,185,715	112,721

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 1,169,413	\$ (3,038)	\$ 1,166,375	\$ 1,121,425	\$ 44,950
Purchased Professional and Technical Services	208,050	242,182	450,232	329,928	120,304
Supplies and Materials	33,450	3,177	36,627	30,825	5,802
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,410,913	242,321	1,653,234	1,482,178	171,056
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	212,294	21,417	233,711	212,768	20,943
Purchased Professional - Educational Services	13,500	(1,199)	12,301	3,828	8,473
Other Purchased Services	184,870	(90,047)	94,823	57,655	37,168
Total Undist. Expend. - Instructional Staff Training Serv.	410,664	(69,829)	340,835	274,251	66,584
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	284,744	2,105	286,849	286,499	350
Legal Services	90,500	(11,396)	79,104	73,684	5,420
Audit Fees	66,000	1,300	67,300	67,300	
Architectural/Engineering Services	50,000	16,285	66,285	37,434	28,851
Other Purchased Professional Services	25,000	991	25,991	23,514	2,477
Communications/Telephone	268,000	30,100	298,100	279,800	18,300
Board of Education Other Purchased Services	10,000	(1,000)	9,000	5,951	3,049
Miscellaneous Purchased Services	259,028	(12,518)	246,510	246,399	111
General Supplies	4,750	4,794	9,544	7,339	2,205
Judgements Against the School District		1,000	1,000	1,000	
Miscellaneous Expenditures	17,250	(2,675)	14,575	7,992	6,583
Board of Education Dues and Fees	26,700		26,700	26,663	37
Total Undist. Expend. - Supp. Serv. - General Admin.	1,101,972	28,986	1,130,958	1,063,575	67,383
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	2,424,502	(40,273)	2,384,229	2,373,191	11,038
Salaries - Other Professional Staff	118,450	2,606	121,056	117,530	3,526
Salaries of Secretarial and Clerical Assistants	953,154	26,964	980,118	949,966	30,152
Unused Vacation Payment to Terminated/Retired Staff		54,577	54,577	54,577	
Purchased Prof. and Tech. Services	73,000	(44,908)	28,092	21,120	6,972
Other Purchased Services	11,154	(6,340)	4,814	160	4,654
Supplies and Materials	21,500	(4,284)	17,216	6,972	10,244
Other Objects	57,548	7,209	64,757	38,663	26,094
Total Undist. Expend. - Support Serv. - School Admin.	3,659,308	(4,449)	3,654,859	3,562,179	92,680
Undist. Expend. - Central Services					
Salaries	998,649	(132,782)	865,867	839,471	26,396
Purchased Professional Services	20,800	4,800	25,600	20,575	5,025
Purchased Technical Services	144,000	(15,230)	128,770	119,969	8,801
Misc Purchased Services	19,200	(9,000)	10,200	8,274	1,926
Supplies and Materials	55,050	20,897	75,947	55,077	20,870
Interest on Lease Purchase Agreements	14,750		14,750	14,750	
Miscellaneous Expenditures	8,550	(1,500)	7,050	5,302	1,748
Total Undist. Expend. - Central Services	1,260,999	(132,815)	1,128,184	1,063,418	64,766
Undist. Expend. - Technology Admin.					
Salaries	168,016	46	168,062	166,595	1,467
Purchased Technical Services	10,000	(10,000)			
Other Purchased Services	3,000	(1,000)	2,000	1,819	181
Total Undist. Expend. - Technology Admin.	181,016	(10,954)	170,062	168,414	1,648
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	1,413,933	(1,089)	1,412,844	1,366,173	46,671
Cleaning, Repair and Maintenance Services	314,490	757,380	1,071,870	718,454	353,416
General Supplies	299,500	(5,888)	293,612	263,906	29,706
Other Objects	14,200	2,633	16,833	15,393	1,440
Total Undist. Expend. - Required Maint. for Sch. Facil.	2,042,123	753,036	2,795,159	2,363,926	431,233

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	\$ 2,322,680	\$ (128,824)	\$ 2,193,856	\$ 2,120,971	\$ 72,885
Purchased Professional - Technical Services		20,000	20,000	15,056	4,944
Cleaning, Repair and Maintenance Services	37,000	(3,458)	33,542	30,636	2,906
Other Purchased Property Services	92,000	(2,990)	89,010	72,615	16,395
Insurance	345,180	8,009	353,189	353,132	57
Travel	8,500	(6,132)	2,368	2,042	326
General Supplies	238,000	387,589	625,589	442,161	183,428
Natural Gas	330,000	(10,000)	320,000	276,843	43,157
Electricity	1,200,000	(257,271)	942,729	942,638	91
Gasoline	25,000		25,000	15,694	9,306
Total Undist. Expend. - Custodial Services	4,598,360	6,923	4,605,283	4,271,788	333,495
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	106,000	(106,000)			
Cleaning, Repair and Maintenance Services	138,000	19,668	157,668	154,751	2,917
General Supplies	60,000	(17,435)	42,565	36,109	6,456
Total Undist. Expend. - Care and Upkeep of Grounds	304,000	(103,767)	200,233	190,860	9,373
Undist. Expend. - Security					
Salaries	297,769	317,365	615,134	611,121	4,013
Purchased Professional and Technical Services	9,500	28,189	37,689	31,684	6,005
General Supplies	293,488	(287,201)	6,287	5,683	604
Total Undist. Expend. - Security	600,757	58,353	659,110	648,488	10,622
Undist. Expend. - Student Transportation Serv.					
Salaries for Non-Instructional Aids	200,211	(10,932)	189,279	170,688	18,591
Salaries for Pupil Trans. (Between Home and School) - Regular	1,542,190	156,318	1,698,508	1,653,474	45,034
Salaries for Pupil Trans. (Between Home and School) - Sp. Ed.	354,590	(224,846)	129,744	128,806	938
Salaries for Pupil Trans. (Other than Between Home and School)	445,507	(52,455)	393,052	342,909	50,143
Other Purchased Professional and Technical Services	25,000	4,957	29,957	29,392	565
Cleaning, Repair and Maintenance Services	41,000	(18,550)	22,450	15,284	7,166
Contracted Services Aid In Lieu of Payment for Non-public School Students	130,000	(1,776)	128,224	71,498	56,726
Contracted Services (Between Home and School) - Vendors	90,000	(24,310)	65,690	40,125	25,565
Contracted Services (Sp. Ed.) - Joint Agreements	900,000	525,143	1,425,143	1,236,747	188,396
Contracted Services (Regular Students) - ESCs		309,869	309,869	201,043	108,826
Travel	5,000	(4,000)	1,000		1,000
Miscellaneous Purchased Services - Transportation	80,000	6,500	86,500	86,408	92
General Supplies	187,500	(11,800)	175,700	125,287	50,413
Transportation Supplies	160,000	47,000	207,000	168,461	38,539
Other Objects	8,500	8,250	16,750	13,269	3,481
Total Undist. Expend. - Student Transportation Serv.	4,169,498	709,368	4,878,866	4,283,391	595,475
Unallocated Benefits					
Group Insurance	4,000	529	4,529	4,529	
Social Security Contributions	1,000,000	58,389	1,058,389	1,004,679	53,710
TPAF Contributions ERIP	20,000		20,000	5,559	14,441
Other Retirement Contributions - PERS	1,347,088	(160,701)	1,186,387	1,186,387	
Other Retirement Contributions - ERIP	10,000		10,000	3,128	6,872
Other Retirement Contributions - Regular	60,000		60,000	59,358	642
Workmen's Compensation	435,679	(8,100)	427,579	421,639	5,940
Health Benefits	14,681,490	(3,120,751)	11,560,739	10,817,887	742,852
Tuition Reimbursement	82,500	40,000	122,500	90,289	32,211
Other Employee Benefits	268,000	(45,307)	222,693	159,861	62,832
Total Unallocated Benefits	17,908,757	(3,235,941)	14,672,816	13,753,316	919,500
On-behalf Contributions					
TPAF Pension Contributions (On-behalf - Non-Budgeted)				8,257,556	(8,257,556)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,063,402	(3,063,402)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				10,310	(10,310)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,058,449	(3,058,449)
Total On-behalf Contributions				14,389,717	(14,389,717)
TOTAL UNDISTRIBUTED EXPENDITURES	51,891,001	(1,709,621)	50,181,380	61,118,742	(10,937,362)
TOTAL GENERAL CURRENT EXPENSE	93,058,938	(2,543,746)	90,515,192	99,996,620	(9,481,428)

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction:					
Grades 1-5		\$ 36,012	\$ 36,012	\$ 36,012	
Grades 6-8		28,706	28,706	28,706	
Grades 9-12		37,064	37,064	36,958	\$ 106
Special Education-Instruction:					
School- Spons. and Other Instructional Programs		7,790	7,790	7,790	
Undistributed Expenditures:					
Support Services - Child Study Teams	\$ 15,000	(9,310)	5,690	5,425	265
Req. Maint. of School Facilities		339,472	339,472	233,603	105,869
Undistributed Exp.-Care and Upkeep of Grounds		3,603	3,603	3,603	
Undistributed Exp.-Security		135,932	135,932	118,649	17,283
Undistributed Exp.-Non-Instructional Services					
Non-Instructional Equipment		367	367		367
School buses-regular					
	400,000	399,263	799,263	268,774	530,489
Total Equipment	415,000	978,899	1,393,899	739,520	654,379
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	250,000	336,249	586,249	407,139	179,110
Construction Services	1,703,560	4,642,950	6,346,510	3,115,919	3,230,591
Lease purchase agreements-principal	880,030		880,030	880,030	
Other Objects - Debt Service Assessment	203,645		203,645	203,645	
Total Facilities Acquisition and Construction Services	3,037,235	4,979,199	8,016,434	4,606,733	3,409,701
TOTAL CAPITAL OUTLAY	3,452,235	5,958,098	9,410,333	5,346,253	4,064,080
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	45,000	3,283	48,283	48,283	
Other Salaries of Instruction	15,000	2,870	17,870	17,350	520
Total Summer School Instruction	60,000	6,153	66,153	65,633	520
TOTAL SPECIAL SCHOOLS	60,000	6,153	66,153	65,633	520
Contribution to Charter Schools	60,840		60,840	48,568	12,272
TOTAL EXPENDITURES	96,632,013	3,420,505	100,052,518	105,457,074	(5,404,556)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(3,236,680)	(3,420,505)	(6,657,185)	3,109,054	9,766,239
Fund Balance, July 1	16,214,113		16,214,113	16,214,113	
Fund Balance, June 30	\$ 12,977,433	\$ (3,420,505)	\$ 9,556,928	\$ 19,323,167	\$ 9,766,239
Recapitulation of (Deficiency) Excess of Revenues (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (877,098)		\$ (877,098)	\$ 6,459,359	\$ 7,336,457
Adjustment for Prior Year Encumbrances, net cancellations		\$ (3,420,505)	(3,420,505)	(3,420,505)	
Withdrawal Maintenance Reserve	(950,000)		(950,000)	(950,000)	
Withdrawal Capital Reserve	(1,409,782)		(1,409,782)	(1,250,000)	159,782
Deposit Maintenance Reserve	100		100	270,100	270,000
Deposit Capital Reserve	100		100	2,000,100	2,000,000
Total	\$ (3,236,680)	\$ (3,420,505)	\$ (6,657,185)	\$ 3,109,054	\$ 9,766,239
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 807,902	
Excess Surplus-current year				801,377	
Capital Reserve				6,744,034	
Maintenance Reserve				2,366,099	
Assigned to:					
Designated for Subsequent Year's Expenditures				135,102	
Year End Encumbrances				6,246,339	
Unassigned Fund Balance				2,222,314	
				19,323,167	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				(2,354,363)	
Fund balance per Government Funds (GAAP)				<u>\$ 16,968,804</u>	

**East Windsor Regional School District
Special Revenue Fund**

**Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 2,425,046	\$ 599,745	\$ 3,024,791	\$ 2,249,736	\$ 775,055
State sources	37,983	2,000	39,983	14,744	25,239
Local sources	8,000	66,429	74,429	53,901	20,528
Total revenues	<u>2,471,029</u>	<u>668,174</u>	<u>3,139,203</u>	<u>2,318,381</u>	<u>820,822</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	262,992	(19,740)	243,252	177,607	65,645
Purchased professional services	11,884	22,569	34,453	3,872	30,581
Other purchased services	1,360,438	32,738	1,393,176	1,318,887	74,289
General supplies	354,418	331,839	686,257	533,938	152,319
Total instruction	<u>1,989,732</u>	<u>367,406</u>	<u>2,357,138</u>	<u>2,034,304</u>	<u>322,834</u>
Support services:					
Salaries	73,250	(7,078)	66,172	66,172	
Personal services—employee benefits	67,692	(742)	66,950	60,216	6,734
Purchased professional services	150,174	32,366	182,540	61,015	121,525
Cleaning, repair and maint. services		32,475	32,475	32,475	
Other purchased professional services	40,000	(33,817)	6,183	5,706	477
Supplies and materials	150,181	255,426	405,607	48,360	357,247
Total support services	<u>481,297</u>	<u>278,630</u>	<u>759,927</u>	<u>273,944</u>	<u>485,983</u>
Capital outlay:					
Noninstructional equipment	-	22,138	22,138	10,133	12,005
Total capital outlay	<u>-</u>	<u>22,138</u>	<u>22,138</u>	<u>10,133</u>	<u>12,005</u>
Total expenditures	<u>2,471,029</u>	<u>668,174</u>	<u>3,139,203</u>	<u>2,318,381</u>	<u>820,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Windsor Regional School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2020

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 108,566,128	\$ 2,318,381
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		208,607
Current year (net of prior year cancellations)		(429,356)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	2,123,145	
Current year	(2,354,363)	
<hr/>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 108,334,910</u>	<u>\$ 2,097,632</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 105,457,074	\$ 2,318,381
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		208,607
Current year (net of prior year cancellations)		(429,356)
<hr/>		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 105,457,074</u>	<u>\$ 2,097,632</u>

Supplementary Information

Special Revenue Fund

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2020

	E.S.E.A.				Carl D. Perlins Secondary	LD.E.A.	CARES
	Title I Part A	Title II A	Title III	Title IV		Part B Basic	Emergency Relief Grant
Revenues:							
Local sources							
State sources							
Federal sources	\$ 611,688	\$ 18,602	\$ 107,978	\$ 16,337	\$ 21,895	\$ 1,367,261	\$ 105,975
Total revenues	\$ 611,688	\$ 18,602	\$ 107,978	\$ 16,337	\$ 21,895	\$ 1,367,261	\$ 105,975
Expenditures:							
Instruction:							
Salaries of teachers	\$ 169,107				\$ 8,500		
Purchased professional services						\$ 1,318,887	
Other purchased services						17,579	\$ 102,000
Instructional supplies	311,861		\$ 71,848	\$ 4,567	12,745		
Total instruction	480,968		71,848	4,567	21,245	1,336,466	102,000
Undistributed:							
Support services:							
Salaries	66,172						
Personal services—employee benefits	59,566				650		
Purchased professional services		\$ 10,618	19,000	11,770		10,800	
Cleaning, repair and maint. services							
Other purchased professional services	2,756					2,950	
Supplies and materials	2,226	7,984	17,130			17,045	3,975
Total support services	130,720	18,602	36,130	11,770	650	30,795	3,975
Capital outlay:							
Noninstructional equipment							
Total capital outlay							
Total expenditures	\$ 611,688	\$ 18,602	\$ 107,978	\$ 16,337	\$ 21,895	\$ 1,367,261	\$ 105,975

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2020

	Textbooks	Nonpublic Aid		Technology	Safety Grant	Other Local	Totals
		Nursing	Handicapped				
Revenues:							
Local sources					\$ 42,608	\$ 11,293	\$ 53,901
State sources	\$ 2,647	\$ 8,827	\$ 372	\$ 2,898			14,744
Federal sources							2,249,736
Total revenues	\$ 2,647	\$ 8,827	\$ 372	\$ 2,898	\$ 42,608	\$ 11,293	\$ 2,318,381
Expenditures:							
Instruction:							
Salaries of teachers							\$ 177,607
Purchased professional services			\$ 372			\$ 3,500	3,872
Other purchased services							1,318,887
Instructional supplies	\$ 2,647			\$ 2,898		7,793	533,938
Total instruction	2,647		372	2,898		11,293	2,034,304
Undistributed:							
Support services:							
Salaries							66,172
Personal services--employee benefits							60,216
Purchased professional services		\$ 8,827					61,015
Cleaning, repair and maint. services					\$ 32,475		32,475
Other purchased professional services							5,706
Supplies and materials							48,360
Total support services		8,827			32,475		273,944
Capital outlay:							
Noninstructional equipment					10,133		10,133
Total capital outlay					10,133		10,133
Total expenditures	\$ 2,647	\$ 8,827	\$ 372	\$ 2,898	\$ 42,608	\$ 11,293	\$ 2,318,381

Capital Projects Fund

East Windsor Regional School District
 Capital Projects Fund
 Summary Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status
 (Budgetary Basis)
 Year ended June 30, 2020

Reconciliation of budgetary basis to GAAP basis:

Fund Balance, Budgetary Basis at June 30, 2020	\$ 302,109
Less: Revenue not recognized on a GAAP basis	(16,914)
Fund Balance - June 30, 2020 GAAP Basis	<u>\$ 285,195</u>

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

From Inception and for the year ended June 30, 2020

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,612,185		\$ 1,612,185	\$ 1,612,185
Capital Lease Proceeds				
Transfer from Capital Reserve	2,574,589		2,574,589	2,574,589
Total Revenues	<u>4,186,774</u>	-	<u>4,186,774</u>	<u>4,186,774</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	3,884,710		3,884,710	
Other Expense				
Transfers Out				
Total Expenditures	<u>3,884,710</u>	-	<u>3,884,710</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 302,064</u>	<u>\$ -</u>	<u>\$ 302,064</u>	<u>\$ 4,186,774</u>
Other Revenue - 2016	45		45	
Budgetary Fund Balance	<u>\$ 302,109</u>		<u>\$ 302,109</u>	

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Telecommunication Replacement for Various Schools

From Inception and for the year ended June 30, 2020

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 226,679		\$ 226,679	\$ 226,679
Capital Lease Proceeds				
Transfer from Capital Reserve	340,872		340,872	340,872
Total Revenues	<u>567,551</u>	<u>-</u>	<u>567,551</u>	<u>567,551</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	520,550		520,550	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>520,550</u>	<u>-</u>	<u>520,550</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 47,001</u>	<u>\$ -</u>	<u>\$ 47,001</u>	<u>\$ 567,551</u>
Additional project information				
Project number	050-14-1001;055-14-1002;060-14-1003;070-14-1004;075-14-1005			
Grant date	January 6, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 578,390			
Additional Authorized Cost	\$ (10,839)			
Revised Authorized Cost	\$ 567,551			
Percentage Increase over Original Authorized Cost	-2%			
Percentage completion	100%			
Original target completion date	December 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Roof and Door Replacement for Various Schools

From Inception and for the year ended June 30, 2020

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,385,506		\$ 1,385,506	\$ 1,385,506
Capital Lease Proceeds				
Transfer from Capital Reserve	2,233,717		2,233,717	2,233,717
Total Revenues	<u>3,619,223</u>	<u>-</u>	<u>3,619,223</u>	<u>3,619,223</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	3,364,160		3,364,160	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>3,364,160</u>	<u>-</u>	<u>3,364,160</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 255,063</u>	<u>\$ -</u>	<u>\$ 255,063</u>	<u>\$ 3,619,223</u>
Additional project information				
Project number	050-14-1007;055-14-1008;070-14-1010;075-14-1011			
Grant date	2/24/2014			
Bond authorization date	12/10/2014			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 3,619,223			
Additional Authorized Cost				
Revised Authorized Cost	\$ 3,619,223			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		100%		
Original target completion date		June 2016		
Revised target completion date		Complete		

East Windsor Regional School District
 Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2020

Issuc/Project Title	Date	Appropriations	Expenditures to Date	
			Prior Year	Unexpended Balance
Telecommunication Replacement for Various Schools	1/27/14	\$ 567,551	\$ 520,550	\$ 47,001
Roof Replacement for Various Schools	5/12/14	3,619,223	3,364,160	255,063
		<u>\$ 4,186,774</u>	<u>\$ 3,884,710</u>	302,064
Other				<u>45</u>
				<u>\$ 302,109</u>

Fiduciary Funds

East Windsor Regional School District
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2020

	Trust			Agency		
	Private- Purpose Scholarship Trust Fund	Unemployment Compensation Trust Fund	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ 596	\$ 1,391,674	\$ 1,392,270	\$ 404,517	\$ 15,783	\$ 420,300
Investments	38,802		38,802			
Total assets	<u>39,398</u>	<u>1,391,674</u>	<u>1,431,072</u>	<u>\$ 404,517</u>	<u>\$ 15,783</u>	<u>\$ 420,300</u>
Liabilities						
Accounts payable		23,443	23,443			
Payroll deductions payable					\$ 8,397	\$ 8,397
Interfund Payable					7,386	7,386
Due to student groups				\$ 404,517		404,517
Total liabilities		<u>23,443</u>	<u>23,443</u>	<u>\$ 404,517</u>	<u>\$ 15,783</u>	<u>\$ 420,300</u>
Net position						
Held in trust for						
unemployment claims		1,368,231	1,368,231			
Held in trust for scholarships	39,398		39,398			
Total net position	<u>\$ 39,398</u>	<u>\$ 1,368,231</u>	<u>\$ 1,407,629</u>			

East Windsor Regional School District
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
Elementary Schools	\$ 16,807	\$ 28,309	\$ 15,661	\$ 29,455
Middle Schools	99,847	182,695	111,931	170,611
High Schools	190,128	167,782	153,471	204,439
Officials Department	3	40,252	40,243	12
Total	\$ 306,785	\$ 419,038	\$ 321,306	\$ 404,517

East Windsor Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
Assets				
Cash and equivalents	\$ 460,637	\$ 62,220,494	\$ 62,665,348	\$ 15,783
Total assets	<u>\$ 460,637</u>	<u>\$ 62,220,494</u>	<u>\$ 62,665,348</u>	<u>\$ 15,783</u>
Liabilities				
Payroll deductions and withholdings payable	\$ 448,598	\$ 62,213,108	\$ 62,653,309	\$ 8,397
Interfund payable	12,039	7,386	12,039	7,386
Total liabilities	<u>\$ 460,637</u>	<u>\$ 62,220,494</u>	<u>\$ 62,665,348</u>	<u>\$ 15,783</u>

Long-Term Debt

East Windsor Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Retired	Balance June 30, 2020
			Date	Amount				
2012 Refunding Bonds	2/7/2012	\$ 29,900,000	3/1/2021	\$ 1,830,000	5.00%	\$ 20,085,000	\$ 1,770,000	\$ 18,315,000
			3/1/2022	1,890,000	5.00%			
			3/1/2023	2,020,000	5.00%			
			3/1/2024	2,080,000	4.00%			
			3/1/2025	2,115,000	4.00%			
			3/1/2026	2,100,000	4.00%			
			3/1/2027	2,110,000	4.00%			
			3/1/2028	2,090,000	4.00%			
			3/1/2029	2,080,000	4.00%			
2015 Refunding Bonds	3/18/2015	3,280,000	7/15/2020	400,000	3.00%	1,970,000	410,000	1,560,000
			7/15/2021	395,000	3.00%			
			7/15/2022	390,000	3.00%			
			7/15/2023	375,000	3.00%			
						<u>\$ 22,055,000</u>	<u>\$ 2,180,000</u>	<u>\$ 19,875,000</u>

East Windsor Regional School District
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2020

	Interest Rate	Amount of Original Issue	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
TD Equipment Finance, Inc. - High School Classroom Renovation	1.64%	\$ 3,419,534	\$ 703,463		\$ 703,463	
TD Equipment Finance, Inc.	2.25%	700,000	176,926		176,926	
Apple Financial Services - Education Finance	0.00%	500,786		\$ 500,786		\$ 500,786
			<u>\$ 880,389</u>	<u>\$ 500,786</u>	<u>\$ 880,389</u>	<u>\$ 500,786</u>

East Windsor Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:					
Local sources:					
Local tax levy	\$ 3,003,784		\$ 3,003,784	\$ 3,003,784	
State sources:					
Debt Service Aid Type II	<u>107,666</u>		<u>107,666</u>	<u>107,666</u>	
Total revenues	<u>3,111,450</u>		<u>3,111,450</u>	<u>3,111,450</u>	
Expenditures:					
Principal on bonds	2,180,000		2,180,000	2,180,000	
Interest on bonds	<u>931,450</u>		<u>931,450</u>	<u>931,450</u>	
Total expenditures	<u>3,111,450</u>		<u>3,111,450</u>	<u>3,111,450</u>	
Net change in fund balances	-		-	-	
Fund balance, July 1	-		-	-	
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statistical Section
(Unaudited)

Statistical Section
Unaudited

Contents

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.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

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.

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.

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

East Windsor Regional School District
Net Position by Component
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	2011	2012	2013	2014	As of June 30,		2017	2018	2019	2020
					2015	2016				
					(As restated)					
Governmental activities										
Net investment in capital assets	\$ 74,974,954	\$ 67,200,853	\$ 64,359,111	\$ 63,790,253	\$ 66,115,732	\$ 69,467,999	\$ 72,406,375	\$ 72,810,331	\$ 75,373,950	\$ 78,784,906
Restricted	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639	10,937,952	11,004,607
Unrestricted (deficit)	3,477,402	5,036,348	11,961,799	1,321,990	(17,505,642)	(20,297,232)	(23,932,469)	(24,778,738)	(24,538,403)	(21,829,520)
Total governmental activities net position	\$ 78,613,288	\$ 73,596,094	\$ 77,518,289	\$ 77,617,163	\$ 58,418,278	\$ 59,835,928	\$ 59,858,929	\$ 76,439,232	\$ 61,773,499	\$ 67,959,993
Business-type activities										
Investment in capital assets	\$ 259,112	\$ 427,651	\$ 374,041	\$ 32,670	\$ 278,395	\$ 237,717	\$ 255,267	\$ 216,040	\$ 181,316	\$ 146,261
Unrestricted	1,048,146	1,360,951	1,234,892	1,338,750	1,223,267	1,517,967	1,794,993	1,993,734	2,382,596	2,502,191
Total business-type activities net position	\$ 1,307,258	\$ 1,788,602	\$ 1,608,933	\$ 1,371,420	\$ 1,501,662	\$ 1,755,684	\$ 2,050,260	\$ 2,209,774	\$ 2,563,912	\$ 2,648,452
Government-wide										
Net investment in capital assets	\$ 75,234,066	\$ 67,628,504	\$ 64,733,152	\$ 64,111,923	\$ 66,394,127	\$ 69,705,716	\$ 72,661,642	\$ 73,026,371	\$ 75,555,266	\$ 78,931,167
Restricted	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023	28,407,639	10,937,952	11,004,607
Unrestricted (deficit)	4,525,548	6,397,299	13,196,691	2,660,740	(16,282,375)	(18,779,265)	(22,137,476)	(22,785,004)	(22,155,807)	(19,327,329)
Total government-wide net position	\$ 79,920,546	\$ 75,384,696	\$ 79,127,222	\$ 79,277,583	\$ 59,919,940	\$ 61,591,612	\$ 61,909,189	\$ 78,649,006	\$ 64,337,411	\$ 70,608,445

Source: CAFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position. This required presentation did not impact any of the balances from prior years.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$22,102,707. This amount is not reflected in the June 30, 2014 Net Position, above.

East Windsor Regional School District
Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30.									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 24,278,169	\$ 24,762,899	\$ 25,042,178	\$ 25,711,382	\$ 25,670,386	\$ 43,048,737	\$ 48,218,048	\$ 49,708,064	\$ 46,264,449	\$ 44,153,643
Special Education	5,581,332	5,468,678	5,889,788	6,190,211	6,096,653	18,572,594	17,694,893	18,895,740	18,269,286	23,667,122
Other Instruction	1,823,344	2,247,777	2,881,786	2,965,778	2,992,569	6,747,736	7,808,512	8,499,028	7,962,224	1,966,362
Adult/Continuing Education Programs	972,437	978,725	1,062,581	1,127,451	1,197,485	27,184	2,197	3,475		
Support services:										
Tuition	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066					
Student and Instruction Related Services	6,960,700	7,332,658	7,619,049	7,643,146	7,829,405	13,487,234	15,681,851	17,371,718	15,418,777	16,037,004
School Administrative Services	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	6,227,047	6,460,488	6,823,317	6,365,761	5,880,643
General and Business Administrative Services	692,000	624,850	642,886	806,864	987,075	2,505,451	3,718,895	3,664,616	3,328,359	3,215,601
Central Services	1,007,249	1,108,804	1,216,913	1,030,751	979,006					
Administrative Information Technology	2,400	2,400	8,650	197,839	235,688					
Plant Operations and Maintenance	6,880,987	6,358,065	7,540,292	7,498,827	7,230,915	9,715,746	10,536,268	10,937,635	10,835,855	10,282,857
Pupil Transportation	2,742,578	2,975,875	3,345,266	3,717,215	3,491,546	4,153,905	5,892,631	6,266,659	6,312,275	5,931,103
Other Support Services	5,500	5,500	6,500							
Transfers to Charter Schools	-	21,904	35,589	11,137		9,751	46,778	59,443	50,430	48,568
Special Schools	31,322	31,247	33,247	38,685	42,676	48,765	115,976	108,738	100,065	104,872
Interest on Long-Term Debt	1,745,893	1,658,548	1,443,522	1,557,907	1,532,276	1,124,003	1,005,821	926,240	845,734	787,111
Unallocated Employee Benefits	19,713,416	19,353,724	19,902,244	19,412,671	29,249,738					
Unallocated Amortization of Bond Costs	10,293	(33,828)	(95,599)	(115,974)	(119,329)					
Unallocated Depreciation	4,884,213	4,006,499	3,868,597	3,816,984	3,842,200					
Cancellation of Intergovernmental Accounts Receivable	741,280									
Unallocated Compensated Absences	(34,057)	(177,261)	665,839	(55,173)	(237,384)					
Loss/Adjustment to Fixed Assets				1,283,869	2,509,558					
Total governmental activities	84,647,563	84,433,518	89,390,174	91,860,071	103,064,518	105,668,153	117,182,358	123,264,671	115,753,215	112,074,886
Business-type activities:										
Food service	1,370,210	1,708,043	2,089,683	1,655,075	1,681,029	1,778,459	1,858,803	1,855,771	1,850,931	1,496,245
Kid Care	484,139	514,615	525,226	714,803	753,458	737,167	526,130	565,897	555,112	548,797
Total business-type activities expense	1,854,349	2,222,658	2,614,909	2,369,878	2,434,487	2,515,626	2,384,933	2,421,668	2,406,043	2,045,042
Total district expenses	86,501,912	86,656,176	92,005,083	94,229,949	105,499,005	108,183,779	119,567,291	125,686,339	118,159,258	114,119,928
Program Revenues										
Governmental activities:										
Charges for services	1,260,235	1,341,045	1,388,295	1,289,218	1,146,167	525,533	618,167	553,987	613,972	799,128
Operating grants and contributions	3,147,814	2,275,215	2,269,808	2,100,542	18,026,976	2,021,484	2,113,637	2,277,674	2,137,277	2,097,632
Capital grants and contributions						751,239	903,611			
Total governmental activities program revenues	4,408,049	3,614,260	3,658,103	3,389,760	19,173,143	3,298,256	3,635,415	2,831,661	2,751,249	2,896,760
Business-type activities:										
Charges for services										
Food services	775,048	844,718	794,854	816,347	736,272	751,380	781,171	821,284	881,280	626,563
Kid Care	756,865	781,268	727,527	847,004	866,156	841,422	638,994	603,502	645,438	451,769
Operating grants and contributions	734,280	855,844	912,859	988,014	1,073,302	1,174,301	1,259,344	1,156,396	1,233,463	1,051,250
Total business-type activities program revenues	2,266,193	2,481,830	2,435,240	2,651,365	2,675,730	2,767,103	2,679,509	2,581,182	2,760,181	2,129,582
Total district program revenues	6,674,242	6,096,090	6,093,343	6,041,125	21,848,873	6,065,359	6,314,924	5,412,843	5,511,430	5,026,342
Net (Expense)/Revenue										
Governmental activities	(80,239,514)	(80,819,258)	(85,732,071)	(88,470,311)	(83,891,375)	(102,369,897)	(113,546,943)	(120,433,010)	(113,001,966)	(109,178,126)
Business-type activities	411,844	259,172	(179,669)	281,487	241,243	251,477	294,576	159,514	354,138	84,540
Total government-wide net expense	\$ (79,827,670)	\$ (80,560,086)	\$ (85,911,740)	\$ (88,188,824)	\$ (83,650,132)	\$ (102,118,420)	\$ (113,252,367)	\$ (120,273,496)	\$ (112,647,828)	\$ (109,093,586)

East Windsor Regional School District
Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 55,836,916	\$ 56,955,654	\$ 57,937,456	\$ 59,096,205	\$ 60,278,129	\$ 61,483,692	\$ 62,713,366	\$ 63,717,633	\$ 64,741,986	\$ 65,786,826
Property taxes levied for debt service	3,498,316	3,477,380	3,564,921	3,231,338	3,201,658	3,167,898	3,124,874	3,054,895	3,046,318	3,003,784
Unrestricted grants and contributions	21,378,829	24,113,975	26,214,282	25,840,199	20,526,963	38,936,163	46,752,774	53,216,994	46,762,945	46,035,664
Investment earnings	2,965	5,491	47,851	4,698	19,457	33,883	52,598	108,526	253,906	361,548
Miscellaneous income	90,918	74,470	1,747,468	458,385	318,898	165,911	946,332	265,265	181,078	176,798
Transfers			342,288	230,000	400,000					
Total governmental activities	\$ 80,807,944	\$ 84,624,970	\$ 89,654,266	\$ 88,860,845	\$ 84,745,105	\$ 103,787,547	\$ 113,569,944	\$ 120,363,313	\$ 114,986,233	\$ 115,364,620
Business-type activities:										
Special Items										
Transfers			(942,288)	(250,000)	(400,000)	2,545				
Total business-type activities			(942,288)	(250,000)	(400,000)	2,545				
Total government-wide	\$ 80,807,944	\$ 84,624,970	\$ 89,311,978	\$ 88,630,845	\$ 84,345,105	\$ 103,790,092	\$ 113,569,944	\$ 120,363,313	\$ 114,986,233	\$ 115,364,620
Change in Net Position										
Governmental activities	\$ 68,430	\$ 3,805,712	\$ 3,922,195	\$ 390,554	\$ 853,730	\$ 1,417,650	\$ 23,001	\$ (69,697)	\$ 1,984,267	\$ 6,186,494
Business-type activities	\$ 411,844	\$ 259,172	\$ (521,937)	\$ 51,487	\$ (158,737)	\$ 254,022	\$ 294,576	\$ 159,514	\$ 354,138	\$ 84,540
Total district	\$ 980,274	\$ 4,064,884	\$ 3,400,258	\$ 442,041	\$ 694,993	\$ 1,671,672	\$ 317,577	\$ 89,817	\$ 2,338,405	\$ 6,271,034

Source: CAFR Schedules A-2 and District records

GASB No. 69 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position.
GASB No. 75 was implemented in the 2018 fiscal year, which increased the unrestricted grants and contributions and various expense lines from the previous year.
This required presentation did not impact any of the balances from prior years.

East Windsor Regional School District
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)
 Unaudited

	As of June 30.									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved	\$ 339,549									
Restricted	4,744,225	\$ 7,583,719	\$ 10,866,901	\$ 10,139,379	\$ 9,848,926	\$ 8,831,520	\$ 10,836,908	\$ 11,472,444	\$ 10,652,757	\$ 10,719,412
Assigned to	921,208	2,424,858	3,891,165	2,651,497	4,313,306	3,752,985	2,479,687	2,776,584	3,438,211	6,249,392
Unassigned	343,789	381,295	367,106	489,774	238,946	318,702	254,557	243,346		
Total general fund	<u>\$ 6,348,771</u>	<u>\$ 10,389,872</u>	<u>\$ 15,125,172</u>	<u>\$ 13,280,650</u>	<u>\$ 14,401,178</u>	<u>\$ 12,883,207</u>	<u>\$ 13,571,152</u>	<u>\$ 14,492,374</u>	<u>\$ 14,090,968</u>	<u>\$ 16,968,804</u>
All Other Governmental Funds										
Restricted for:										
Capital projects fund	\$ 1,789,041			\$ 2,836,234	\$ 364,249	\$ 1,833,641	\$ 536,629	\$ 285,195	\$ 285,195	\$ 285,195
Debt service fund				489,774	1	25,968	25,967			
Total all other governmental funds	<u>\$ 1,789,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,326,008</u>	<u>\$ 364,250</u>	<u>\$ 1,859,609</u>	<u>\$ 562,596</u>	<u>\$ 285,195</u>	<u>\$ 285,195</u>	<u>\$ 285,195</u>

Source: CAFR Schedule B-1 and District records.

East Windsor Regional School District
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)
 Unaudited

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 59,335,232	\$ 60,431,034	\$ 61,302,377	\$ 62,327,563	\$ 63,479,787	\$ 64,651,590	\$ 65,838,240	\$ 66,772,528	\$ 67,788,304	\$ 68,790,610
Transportation Fees	78,274	63,778.00	79,835	61,721.00	43,521.24	83,599	146,570	111,460	98,967	51,412
Tuition Charges	651,805	643,297	633,498	541,560	560,407	441,934	471,597	442,527	515,005	747,716
Interest on Investments	2,965	5,491	4,806	4,698		33,883	52,598	108,526	253,906	361,548
Rents & Royalties						23,011	38,469	66,758	51,722	13,460
Miscellaneous	160,631	161,779	1,807,862	485,027	375,525	1,375,584	961,561	226,041	164,677	204,611
State Sources	21,395,164	23,479,316	26,347,826	25,843,624	28,221,958	28,646,863	30,302,752	32,266,716	37,546,828	41,221,554
Federal Sources	3,061,766	2,820,565	2,118,915	2,070,475	2,098,887	2,048,759	2,176,690	2,329,762	2,207,442	2,153,081
Total revenue	84,685,837	87,605,260	92,295,119	91,334,668	94,780,086	97,305,223	99,988,477	102,324,318	108,626,851	113,543,992
Expenditures										
Instruction										
Regular Instruction	24,278,169	24,762,899	25,042,178	25,711,382	25,670,386	25,349,163	25,946,098	26,259,020	27,354,545	27,380,721
Special Education Instruction	5,296,541	5,468,678	5,889,788	6,190,211	6,096,653	7,875,334	7,450,145	7,780,064	8,225,324	8,382,494
Other Special Instruction						2,727,753	2,851,959	3,195,190	3,265,287	3,668,783
Other Instruction	1,823,344	2,247,777	2,881,786	2,965,778	2,992,569	1,100,372	1,185,551	1,137,566	1,187,644	1,143,738
Community Svc Program/Operations	972,437	978,725	1,062,581	1,127,451	1,197,485	15,899	2,057	3,250		
Support Services:										
Tuition	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066	5,652,013	5,163,274	5,495,412	5,754,332	5,497,365
Student and Instruction Related Services	6,668,667	7,332,658	7,619,049	7,643,146	7,829,405	7,949,697	8,655,610	9,023,052	9,299,784	10,262,079
General administration	942,000	874,850	892,886	1,056,864	1,487,075					
School Administration Services	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	3,062,994	3,342,918	3,502,028	3,618,698	3,562,179
Central services	1,007,249	1,108,804	1,216,913	1,034,212	979,006					
Other Admin Services						2,210,539	2,335,736	2,324,464	2,281,641	2,295,407
Admin. Information Technology	2,400	2,400	8,650	197,839	235,688					
Plant Operations and maintenance	6,346,535	5,720,704	6,271,234	6,809,832	6,699,051	6,749,160	6,616,091	6,650,372	7,267,385	7,475,062
Pupil transportation	2,742,578	2,975,875	3,345,266	3,717,215	3,491,546	3,782,275	3,564,618	3,797,700	4,282,557	4,283,391
Business and Other Support Services	5,500	5,500	6,500							
Employee Benefits	19,701,063	19,382,683	19,933,593	19,446,606	20,805,829	22,452,902	24,860,559	25,768,632	28,278,639	28,143,033
Transfer to Charter School		21,904	35,589	11,317		9,751	46,778	59,443	50,430	48,568
Capital Outlay	2,083,045	1,315,593	1,871,098	4,461,944	8,513,481	5,067,652	5,274,048	3,430,388	4,945,610	5,346,253
Special Schools	31,322	33,247	33,247	38,685	42,676	48,765	60,978	56,091	58,256	65,633
Debt Service:										
Principal	1,767,264	1,692,408	1,525,903	1,367,153	2,020,000	2,065,000	2,070,000	2,105,000	2,145,000	2,180,000
Interest and other charges	1,885,000	1,935,000	1,985,000	2,005,000	1,394,335	1,208,585	1,171,125	1,092,825	1,013,025	931,450
Total expenditures	82,161,621	83,564,159	87,902,107	92,805,136	98,989,240	97,327,834	100,597,545	101,680,497	109,028,257	110,666,156
Excess (Deficiency) of revenues over (under) expenditures	2,524,216	4,041,101	4,393,012	(1,470,468)	(4,209,154)	(22,611)	(609,068)	643,821	(401,406)	2,877,836
Other financing sources (uses)										
Lease proceeds				2,232,000	2,246,183					
Payment to bond refunding escrow agent					(3,366,301)					
Refunding bonds issued					3,442,184					
Transfers In	1,085,361		342,288	2,804,589	535,632	2,547,303		251,057		
Transfers Out	(1,789,041)			(2,374,589)		(2,547,303)		(251,057)		
Total other financing sources (uses)	(703,680)	-	342,288	2,460,000	2,837,698	-	-	-	-	-
Net change in fund balances	\$ 1,820,536	\$ 4,041,101	\$ 4,735,300	\$ 991,532	\$ (1,351,456)	\$ (22,611)	\$ (609,068)	\$ 643,821	\$ (401,406)	\$ 2,877,836
Debt service as a percentage of noncapital expenditures	4.56%	4.41%	4.08%	3.82%	3.77%	3.55%	3.40%	3.25%	3.03%	2.95%
Source: District records										
Note: Noncapital expenditures are total expenditures less capital outlay.										

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

FISCAL YEAR ENDED JUNE 30,	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	TUITION	TRANSPORTATION FEES	INTEREST EARNINGS	MISCELLANEOUS	Annual Totals
2020	\$ 39,212	\$ 13,460	\$ 747,716	\$ 51,412	\$ 361,548	\$ 124,126	1,337,474
2019		44,172	422,463	98,967	253,906	105,526	925,034
2018		66,758	442,527	111,460	108,526	198,507	927,778
2017	499,994	38,469	471,597	146,570	52,598	407,869	1,617,097
2016		23,011	441,934	83,599	33,856	142,855	725,255
2015		19,457	560,407	43,521		318,898	942,283
2014	378,518	50,626	541,560	61,721	4,698	29,241	1,066,364
2013	1,397,230	43,045				355,044	1,795,319
2012		28,320				51,641	79,961
2011		33,636				60,247	93,883

Source: District records

East Windsor Regional School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	PERS. PROP.	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE ^b	ACTUAL (COUNTY EQUALIZED) VALUE
East Windsor													
2020	\$ 29,514,800	\$ 2,016,561,800	\$ 10,808,800	\$ 1,279,900	\$ 401,985,050	\$ 186,547,700	\$ 169,966,300	\$ 4,443,653	\$ 2,821,108,003	\$ 244,492,800	\$ 2,821,108,003	\$ 2.14	\$ 3,047,818,651
2019	29,623,500	2,015,198,300	11,011,700	1,299,700	405,311,650	179,766,200	169,288,300	4,507,360	2,816,006,710	245,033,200	2,816,006,710	2.11	2,816,006,710
2018	38,039,700	2,014,170,300	10,542,400	1,324,700	420,630,150	151,870,200	169,889,900	4,591,136	2,811,058,486	199,219,200	2,811,058,486	2.09	2,862,184,819
2017	53,385,400	2,008,698,197	10,283,500	1,299,900	416,028,050	104,470,200	158,328,000	4,679,638	2,757,172,885	199,061,000	2,757,172,885	2.09	2,801,966,101
2016	40,292,200	2,004,509,297	10,264,300	1,327,800	418,307,250	103,107,300	158,328,000	4,537,469	2,740,673,616	193,193,200	2,740,673,616	2.07	2,700,842,361
2015	36,112,600	2,007,679,679	17,725,000	1,675,100	421,826,350	105,287,300	158,560,400	4,534,175	2,753,402,604	193,637,200	2,753,402,604	2.01	2,753,402,604
2014	33,339,600	2,009,223,497	15,586,700	1,844,800	427,125,450	105,284,500	158,844,400	4,913,771	2,756,162,718	187,119,800	2,756,162,718	1.97	2,668,935,776
2013	42,318,800	2,017,628,000	11,034,300	1,860,900	434,078,250	109,938,400	152,967,200	4,448,001	2,774,273,851	186,132,200	2,774,273,851	1.92	2,772,380,870
2012	46,305,400	2,048,055,300	11,100,600	1,858,600	441,903,650	112,938,400	152,967,200	4,455,660	2,819,584,810	185,285,000	2,819,584,810	1.87	2,918,188,719
2011	48,562,100	2,048,383,100	11,100,600	1,840,700	457,874,800	120,663,300	155,671,800	4,449,450	2,848,545,850	185,809,900	2,848,545,850	1.81	3,103,069,331
Hightstown													
2020	\$ 2,365,800	\$ 314,503,000			\$ 56,967,000	\$ 4,193,400	\$ 13,373,200	\$ 3,284,099	\$ 394,686,499	\$ 148,641,300	\$ 394,686,499	\$ 2.28	\$ 463,643,730
2019	2,436,800	314,070,100			54,258,400	3,167,900	13,373,200	3,381,420	393,687,620	146,638,200	393,687,620	2.21	393,687,620
2018	2,529,900	312,979,100			57,485,900	3,167,900	13,349,900	3,582,656	393,095,356	146,682,000	393,095,356	2.16	408,925,687
2017	2,652,000	312,588,100			57,330,600	3,149,400	13,043,900	3,416,396	392,180,396	146,885,100	392,180,396	2.20	412,573,255
2016	3,121,500	310,610,300			57,167,600	3,149,400	13,043,900	3,374,648	390,467,348	147,275,600	390,467,348	2.20	414,616,885
2015	3,096,100	310,248,700			57,030,300	3,149,400	13,043,900	2,963,474	389,531,874	193,367,200	389,531,874	2.19	415,636,477
2014	2,562,400	311,352,900			57,441,600	3,909,700	13,043,900	3,348,297	391,858,797	143,473,200	391,858,797	2.19	424,168,371
2013	2,650,500	311,548,000			57,767,400	3,909,700	13,043,900	3,647,607	392,567,107	143,249,900	392,567,107	2.13	422,747,231
2012	4,038,700	385,259,000			66,571,600	6,454,300	14,740,200	4,266,822	481,330,622	154,530,900	481,330,622	1.71	464,031,521
2011	4,802,100	388,457,300			69,680,800	6,454,300	14,740,200	4,212,336	488,347,036	153,254,500	488,347,036	1.69	489,101,889
East Windsor & Hightstown													
2020	31,880,600	2,331,064,800	10,808,800	1,279,900	458,952,050	190,741,100	183,339,500	7,727,752	3,215,794,502	393,134,100	3,215,794,502	4.42	3,511,462,381
2019	32,060,300	2,329,268,400	11,011,700	1,299,700	459,570,050	182,934,100	182,661,500	7,888,780	3,209,694,330	391,671,400	3,209,694,330	4.32	3,209,694,530
2018	40,569,600	2,327,149,400	10,542,400	1,324,700	478,116,050	155,038,100	183,239,800	8,173,792	3,204,153,842	345,901,200	3,204,153,842	4.25	3,271,110,506
2017	56,037,400	2,321,286,297	10,283,500	1,299,900	473,358,650	107,619,600	171,371,900	8,096,034	3,149,353,281	345,946,100	3,149,353,281	4.29	3,214,539,356
2016	43,413,700	2,315,119,597	10,264,300	1,327,800	475,474,850	106,256,700	171,371,900	7,912,117	3,131,140,964	340,468,800	3,131,140,964	4.27	3,115,459,246
2015	39,208,700	2,317,928,379	17,725,000	1,675,100	478,856,650	108,436,700	171,604,300	7,499,649	3,142,934,478	387,004,400	3,142,934,478	4.20	3,169,039,081
2014	35,902,000	2,320,576,397	15,586,700	1,844,800	484,767,050	109,194,200	171,888,300	8,262,068	3,148,021,515	330,593,000	3,148,021,515	4.16	3,093,104,147
2013	44,969,300	2,329,176,000	11,034,300	1,860,900	491,845,650	113,848,100	166,011,100	8,095,608	3,166,840,958	329,382,100	3,166,840,958	4.05	3,195,128,101
2012	50,344,100	2,433,314,300	11,100,600	1,858,600	508,475,250	119,392,700	167,707,400	8,722,482	3,300,915,432	339,815,900	3,300,915,432	3.58	3,382,220,240
2011	53,364,200	2,436,840,400	11,100,600	1,840,700	527,555,600	127,117,600	170,412,000	8,661,786	3,336,892,886	339,064,400	3,336,892,886	3.50	3,592,171,220

*Revaluations in 2010 for East Windsor

Source: Municipal Tax Assessors

a. Taxable Value of Machinery, Implements and equipment of Telephone, Telegraph and Messenger System Companies
b. Tax Rates are per \$100

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**
(Rate per \$100 of Assessed Value)
Unaudited

EAST WINDSOR REGIONAL SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		
FISCAL YEAR ENDED JUNE 30,	BASIC RATE	TOTAL DIRECT SCHOOL TAX RATE	BOROUGH OR TOWNSHIP	MERCER COUNTY	TOTAL DIRECT & OVERLAPPING TAX RATE
East Windsor					
2020	\$ 2.14	\$ 2.14	\$ 0.43	\$ 0.71	\$ 3.29
2019	2.11	2.11	0.43	0.71	3.25
2018	2.09	2.09	0.43	0.69	3.21
2017	2.09	2.09	0.43	0.60	3.12
2016	2.07	2.07	0.43	0.58	3.08
2015	2.01	2.01	0.43	0.57	3.02
2014	1.97	1.97	0.46	0.64	3.06
2013	1.92	1.92	0.55	0.65	3.12
2012	1.87	1.87	0.42	0.64	2.93
2011	1.81	1.81	0.40	0.61	2.82
Hightstown					
2020	\$ 2.28	\$ 2.28	\$ 1.35	\$ 0.78	\$ 4.41
2019	2.22	2.22	1.33	0.75	4.30
2018	2.16	2.16	1.29	0.71	4.16
2017	2.20	2.20	1.22	0.62	4.04
2016	2.20	2.20	1.18	0.71	4.09
2015	2.19	2.19	1.16	0.62	4.06
2014	2.19	2.19	1.18	0.71	4.09
2013	2.13	2.13	1.13	0.70	3.96
2012	1.71	1.71	0.90	0.58	3.19
2011	1.69	1.69	0.88	0.56	3.13

Source: Municipal Tax Collectors

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**
Unaudited

NOT AVAILABLE

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**
Unaudited

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE TAX LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2020	\$ 68,790,610	\$ 68,790,610	100.00%	
2019	67,788,304	67,788,304	100.00%	
2018	66,772,528	66,772,528	100.00%	
2017	65,838,240	65,838,240	100.00%	
2016	64,651,590	64,651,590	100.00%	
2015	63,479,787	63,479,787	100.00%	
2014	62,327,563	62,327,563	100.00%	
2013	61,302,377	61,302,377	100.00%	
2012	60,431,034	60,431,034	100.00%	
2011	59,335,232	59,335,232	100.00%	

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited

YEAR ENDED JUNE 30,	GENERAL OBLIGATIONS BONDS ^b	CAPITAL LEASES	TOTAL DISTRICT	PER CAPITA INCOME	PERCENTAGE OF PERSONAL INCOME ^a	DISTRICT POPULATION	PER CAPITA ^a
2020	\$ 19,875,000	\$ 500,786	\$ 20,375,786	\$ 69,344	2.13%	32,592	\$ 1,477
2019	22,055,000	880,389	22,935,389	56,102	1.71%	32,757	959
2018	24,200,000	1,745,534	25,945,534	54,894	1.33%	33,025	733
2017	26,305,000	2,595,703	28,900,703	53,673	0.20%	32,933	799
2016	28,375,000		28,375,000	N/A	N/A	N/A	N/A
2015	30,440,000		30,440,000	N/A	N/A	N/A	N/A
2014	32,480,000		32,480,000	N/A	N/A	33,103	N/A
2013	34,485,000		34,485,000	56,906	1.83%	33,160	1,041
2012	36,470,000		36,470,000	55,714	1.98%	32,984	1,106
2011	40,214,000		40,214,000	54,445	2.29%	32,271	1,246

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

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

^b Includes Early Retirement Incentive Plan (ERIP) refunding

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Unaudited

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS			
2020	\$ 19,875,000		\$ 19,875,000	0.618%	\$ 610
2019	22,050,000		22,050,000	0.687%	673
2018	24,200,000		24,200,000	0.755%	733
2017	26,305,000	\$ 25,967	26,279,033	0.835%	799
2016	28,375,000	25,968	28,349,032	0.905%	867
2015	30,440,000		30,440,000	1.873%	N/A
2014	32,480,000		32,480,000	1.690%	N/A
2013	34,485,000		34,485,000	2.122%	1,040
2012	36,470,000		36,470,000	2.244%	1,106
2011	40,214,000		40,214,000	2.474%	1,246

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

Source: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2019
Unaudited

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:	\$ 635,366,612		
Township of East Windsor		6.4639%	\$ 41,069,715
Borough of Hightstown		0.9615%	6,108,800
Other Debt: M.C.I.A.	61,529,337		
Township of East Windsor		6.4639%	3,977,219
Borough of Hightstown		0.9615%	591,580
Subtotal, Overlapping Debt			51,747,314
East Windsor Regional School District Direct Debt			19,875,000
Total Direct & Overlapping Debt			\$ 71,622,314

* As of December 31, 2019

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
Unaudited

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$ 133,230,232	\$ 129,271,259	\$ 128,014,788	\$ 126,653,836	\$ 126,096,951	\$ 126,360,057	\$ 130,131,016	\$ 135,939,871	\$ 141,794,070	\$ 143,655,538
Total Net Debt Applicable to Limit	<u>19,875,000</u>	<u>22,055,000</u>	<u>24,200,000</u>	<u>26,279,033</u>	<u>28,375,000</u>	<u>30,440,000</u>	<u>32,480,000</u>	<u>34,485,000</u>	<u>36,470,000</u>	<u>40,214,000</u>
Legal Debt Margin	<u>\$ 113,355,232</u>	<u>\$ 107,216,259</u>	<u>\$ 103,814,788</u>	<u>\$ 100,374,803</u>	<u>\$ 97,721,951</u>	<u>\$ 95,920,057</u>	<u>\$ 97,651,016</u>	<u>\$ 101,454,871</u>	<u>\$ 105,324,070</u>	<u>\$ 103,441,538</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.92%	17.06%	18.90%	20.75%	22.50%	24.09%	24.96%	25.37%	25.72%	27.99%

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis		
	East Windsor	Hightstown	Total
2020	\$ 3,047,818,651	\$ 463,643,730	\$ 3,511,462,381
2019	2,816,006,710	393,687,820	3,209,694,530
2018	2,862,184,819	408,925,687	3,271,110,506
	<u>\$ 8,726,010,180</u>	<u>\$ 1,266,257,237</u>	<u>\$ 9,992,267,417</u>
Average Equalized Valuation of Taxable Property	\$ 2,908,670,060	\$ 422,085,746	\$ 3,330,755,806
Debt limit (4 % of Average Equalization Value)			\$ 133,230,232
Net Bonded School Debt			<u>19,875,000</u>
Legal Debt Margin			<u>\$ 113,355,232</u>

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

EAST WINDSOR

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PER CAPITA PERSONAL INCOME (b)</u>	<u>UNEMPLOYMENT RATE (c)</u>
2020	32,592	\$ 69,344	2.40%
2019	32,757	56,102	5.70%
2018	33,025	54,894	3.40%
2017	32,933	53,673	3.60%
2016	32,690	N/A	3.70%
2015	N/A	N/A	N/A
2014	33,103	N/A	4.60%
2013	33,160	56,906	5.11%
2012	32,984	55,933	6.35%
2011	32,271	53,037	7.90%

Source:

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

^b Per capita information provided by US Dept of Commerce, Bureau of Economic Analysis

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**
Unaudited

NOT AVAILABLE

EAST WINDSOR REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Regular	328	353	356	346	335	320	339	333	326	326
Special Education	140	82	73	72	71	72	72	69	49	50
Other Special Education Aides	28	28	30	29	28	29	28	28	40	36
Other Instruction/ Nurse	9	9	9	9	8	8	8	6	6	6
Guidance	20	20	19	17	15	15	17	17	17	14
Support Services:										
Student & Instruction Related Services	47	47	44	42	46	39	41	41	8	45
General Administration	8	8	8	8	7	7	10	9	9	9
School Administrative Services	17	17	18	18	16	15	15	14	13	13
Other Administrative Services	10	9	8	10	9	10	9	8	8	9
Central Services	13	20	16	17	15	15	20	19	19	44
Administrative Information Technology	1	1	1	1	1	1	1	1	1	1
Plant Operations & Maintenance	59	53	51	53	53	53	54	55	55	54
Pupil Transportation	73	69	65	66	68	74	65	63	59	57
Other Support Services VA	36	31	34	34	34	34	30	25	26	27
Campus Monitor	7	7	6	6	6	6	6	6	6	6
Computer Technician	7	7	7	6	6	6	6	6	6	4
Courier	1	1	1	1	1	1	1	1	1	1
Duplicating Eq. Operator	1	1	1	1	1	1	1	1	1	1
Child Care	30	29	26	31	22	23	23	22	22	20
Custodial Supervisor	1	1	1	1	1	1	1	1	1	1
Director of Buildings & Grounds	1	1	1	1	1	1	1	1	1	1
Lunch Monitors	39	34	29	27	17	16	19	16	8	9
Total	876	828	804	796	761	747	767	742	682	734

Source: District Personnel Records

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**
Unaudited

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2020	5,178	\$ 102,208,453	\$ 19,739	3.29%	483	9.8	11.7	11.3	5,139	4,979	74.00%	96.83%
2019	5,113	95,267,251	18,632	0.54%	435	11.4	11.5	11.8	5,101	4,960	1.60%	97.01%
2018	5,129	95,052,284	18,532	2.38%	429	10.1	10.8	10.8	5,094	4,882	0.04%	95.85%
2017	5,221	92,082,372	17,637	2.24%	418	14.8	12.2	12.4	5,160	4,947	1.67%	95.89%
2016	5,139	88,986,617	17,316	5.29%	411	14.8	12.2	12.4	5,075	5,022	-0.07%	97.00%
2015	5,019	85,139,792	16,963	1.00%	411	14.8	12.2	12.4	5,112	5,059	9.20%	97.00%
2014	5,106	82,520,106	16,161	-0.31%	411	14.6	11.1	11.7	5,091	4,892	0.61%	96.09%
2013	5,072	82,520,106	16,212	4.50%	402	16.5	13.6	12.4	5,060	4,840	1.83%	95.65%
2012	5,072	78,621,158	15,513	2.34%	387	14.4	12.5	11.7	4,969	4,768	-0.08%	95.95%
2011	5,075	76,426,312	15,158	-4.51%	408	13.7	11.3	11.3	5,025	4,805	-0.16%	95.62%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

DISTRICT BUILDINGS	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Elementary Schools:</u>										
McKnight ES (1970):										
Square Feet	84,596	84,596	84,596	84,596	84,596	84,596	84,596	98,976	98,976	98,976
Capacity (Students)	660	660	660	660	660	660	660	660	660	660
Enrollment	555	521	521	521	521	508	644	695	640	607
Drew ES (1975):										
Square Feet	92,224	92,224	92,224	92,224	92,224	92,224	92,244	105,244	105,244	105,244
Capacity (Students)	728	728	728	728	728	728	728	728	728	728
Enrollment (a)	580	666	666	666	666	668	671	571	569	655
Walter C Black ES (1949):										
Square Feet	78,697	78,697	78,697	78,697	78,697	78,697	78,570	97,335	97,335	97,335
Capacity (Students)	615	615	615	615	615	615	615	615	615	615
Enrollment	521	539	539	539	539	541	488	485	512	528
Rogers ES (1924):										
Square Feet	103,470	103,470	103,470	103,470	103,470	103,470	107,908	105,091	105,091	105,091
Capacity (Students)	698	698	698	698	698	698	543	543	543	543
Enrollment	610	680	680	680	680	686	699	710	728	640
<u>Middle School:</u>										
Kreps Middle School (1968):										
Square Feet	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021
Capacity (Students)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Enrollment	1,239	1,245	1,245	1,245	1,245	1,256	1,105	1,203	1,229	1,201
<u>High School:</u>										
Hightstown High School (1966):										
Square Feet	271,758	271,758	271,758	271,758	271,758	262,435	262,435	259,660	259,660	259,660
Capacity (Students)	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Enrollment	1,580	1,526	1,526	1,526	1,526	1,527	1,458	1,426	1,394	1,411
<u>Other Buildings:</u>										
Transportation (1979):										
Square Feet	2,000	2,000	2,000	2,000	2,000	2,000	2,000	200	200	200
Central Administration (1846):										
Square Feet	4,150	4,150	4,150	4,150	4,150	4,150	4,150	1,690	1,690	1,690
Maintenance (1986)										
Square Feet	3,600	3,600	3,600	3,600	3,600	3,600	3,600	1,575	1,575	1,575
Number of Schools at June 30, 2020:										
Elementary = 4										
Middle School = 1										
Senior High School = 1										
Other = 3										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October District count.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
*Unaudited***

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

FISCAL YEAR	BLACK ELEMENTARY SCHOOL	DREW ELEMENTARY SCHOOL	MC KNIGHT ELEMENTARY SCHOOL	ROGERS ELEMENTARY SCHOOL	KREPS ELEMENTARY SCHOOL	HIGHTSTOWN HIGH SCHOOL	TOTAL
2020	\$ 222,591	\$ 260,851	\$ 239,276	\$ 292,660	\$ 579,893	\$ 768,655	\$ 2,363,926
2019	214,415	251,325	230,487	281,910	558,592	740,423	2,277,152
2018	185,263	217,108	199,151	243,582	482,647	639,755	1,967,506
2017	174,446	204,806	187,825	239,584	455,200	603,372	1,865,233
2016	222,783	261,555	239,869	305,970	581,330	770,561	2,382,068
2015	219,651	187,368	204,248	167,112	609,527	722,102	2,110,008
2014	220,461	258,830	237,370	302,782	575,273	736,373	2,331,089
2013	158,520	186,108	170,678	217,711	413,643	523,880	1,670,540
2012	107,308	125,382	115,216	148,844	280,132	488,891	1,265,773
2011	132,864	153,988	75,803	154,690	349,991	455,875	1,323,211
Total	\$ 2,293,155	\$ 2,607,945	\$ 2,233,425	\$ 2,897,697	\$ 5,903,341	\$ 7,915,530	\$ 23,851,093

Source: District records and M-1

EAST WINDSOR REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020
Unaudited

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Multiperil Package Policy:		
Property - Blank Building & Contents	\$ 268,012,967	\$ 5,000
Demolition/Increase Cost of Construction	25,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Satellite Dishes	Included	5,000
Commercial General Liability		
Per Occurrence	31,000,000	
Policy Aggregate	31,000,000	
Commercial Crime Coverage		
Blkt Faithful Perf	500,000	1,000
Forgery, M&S, Comp	100,000/250,000	1,000
Underground Storage Tank Liability:		
Per Occurrence	1,000,000	10,000
Policy Aggregate	1,000,000	
Computers and Schedule Equipment:		
Data Processing Equipment	3,800,000	1,000
Commercial Auto:		
Liability	31,000,000	
Physical Damage	Actual Cash Value	1,000
Boiler and Machinery	268,012,967	5,000
School Board Legal Liability:		
Coverage A	31,000,000	30,000
Coverage B	100,000/300,000	30,000
Professional Nurses Liability:		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Public Employees' Faithful Performance Bonds:		
Board Secretary- School Business Administrator	400,000	
Workers Compensation Excess Liability	Statutory	
Group Accident	5,000,000	Excess
	Each Accident	
CAP Policy	50,000,000	Excess

Source: District records

Single Audit Section

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

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Windsor Regional School District, in the County of Mercer, 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 11, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of 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

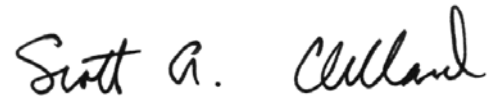
identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

January 11, 2021
Florham Park, New Jersey

Report on Compliance For Each Major Federal and State Program and Report
on Internal Control Over Compliance Required by the
Uniform Guidance and New Jersey OMB Circular 15-08

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

Report on Compliance for Each Major Federal and State Program

We have audited the East Windsor Regional School District's, in the County of Mercer, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2020. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

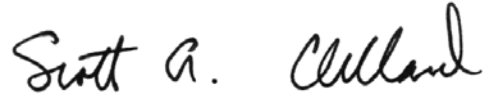
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

January 11, 2021
Florham Park, New Jersey

**East Windsor Regional School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2020**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Account	From	To	Balance at June 30, 2019	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020	
													Accounts Receivable	Unearned Revenue
U.S. Department of Health and Human Services Passed-through State Department of Education General Fund: Medical Assistance Program (SEMI)	93.778	2003N35M4P	N/A	\$ 111,466	7/1/19	6/30/20			\$ 111,466	\$ (11,466)				
Total General Fund									\$ 111,466	\$ (11,466)				
U.S. Department of Education Passed-through State Department of Education Special Revenue Fund:														
Title I, Part A	84.010A	S010A190030	N/A	630,715	7/1/19	9/30/20	\$ (214,249)		211,184	(611,668)	\$ (9,726)		\$ (400,504)	
Title I, Part A	84.010A	S010A180030	N/A	562,254	7/1/18	6/30/19			223,975				(4,207)	
Title II, Part A, Improving Teacher Quality	84.567A	S367A180029	N/A	188,558	7/1/19	9/30/20			14,395	(18,602)				
Title II, Part A, Improving Teacher Quality	84.567A	S367A180029	N/A	162,755	7/1/18	6/30/19	(34,335)		34,255					
Language Instruction for English Learners and Immigrant Students														
Title III	84.565A	S365A180030	N/A	106,361	7/1/19	9/30/20			56,402	(107,978)			(51,576)	
Title III	84.565A	S365A180030	N/A	118,509	7/1/18	6/30/19	(53,840)		53,840	(107,978)			(51,576)	
Subtotal Language Instruction for English Learners and Immigrant Students:							(53,840)		112,242	(107,978)			(51,576)	
Title IV	84.424	S424A190051	N/A	33,061	7/1/19	9/30/20	(5,600)		14,567	(16,337)			(1,770)	
Title IV	84.424	S424A170051	N/A	10,000	7/1/17	6/30/18			3,600	(16,337)			(1,770)	
Subtotal Title IV									20,167	(16,337)			(1,770)	
Special Education Grant Cluster:														
L.D.E.A. Part B, Basic Regular	84.027A	H027A190100	N/A	1,447,936	7/1/19	9/30/20			950,971	(1,567,261)			(616,290)	
L.D.E.A. Part B, Basic Regular	84.027A	H027A180100	N/A	1,307,859	7/1/18	6/30/19	(167,992)		167,992				(616,290)	
Subtotal of Special Education Grant Cluster:							(167,992)		1,118,963	(1,567,261)			(616,290)	
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84.048A	V048A190030	N/A	30,625	7/1/19	6/30/20			21,895	(21,895)				
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84.048A	S048A180030	N/A	26,719	7/1/18	6/30/19	(850)		850	(21,895)				
Subtotal Carl D. Perkins Vocational and Technical Education Act of 1998-Secondary							(850)		22,745	(21,895)				
COVID-19 Elementary & Secondary School Emergency Relief	84.425D	S425D200027	N/A	444,769	3/13/20	3/30/22			1,797,906	(105,973)			(105,973)	
Total Special Revenue Fund							(478,760)		2,249,736	(2,249,736)			(972)	(980,322)
U.S. Department of Agriculture Passed-through State Department of Agriculture Enterprise Fund:														
Child Nutrition Program Cluster:														
School Breakfast Program	10.553	201N394N1099	N/A	124,838	7/1/19	6/30/20			115,121	(124,838)			(9,717)	
COVID-19 - Unanticipated School Closure 2019-20	10.553	201N394N1099	N/A	12,573	7/1/19	6/30/20			12,573	(12,573)				
School Breakfast Program	10.553	191N394N1099	N/A	138,291	7/1/18	6/30/19	(13,395)		13,395				(15,143)	
National School Lunch Program	10.555	201N394N1099	N/A	695,227	7/1/19	6/30/20			680,084	(695,227)				
COVID-19 - Unanticipated School Closure 2019-20	10.555	201N394N1099	N/A	20,101	7/1/19	6/30/20			20,101	(20,101)				
National School Lunch Program	10.555	191N394N1099	N/A	884,919	7/1/18	6/30/19	(69,099)		69,099				(699)	
Healthy Hunger-Free Kids Act	10.555	201N394N1099	N/A	22,674	7/1/19	6/30/20			22,665	(22,674)				
Healthy Hunger-Free Kids Act	10.555	191N394N1099	N/A	27,069	7/1/18	6/30/19	(2,074)		2,074					
Food Donation (NC)	10.555	201N394N1099	N/A	166,006	7/1/19	6/30/20			166,006	(149,299)			\$ 16,707	
Food Donation (NC)	10.555	191N394N1099	N/A	155,562	7/1/18	6/30/19	3,015			(3,015)				
Total Enterprise Fund and Child Nutrition Program Cluster							(61,553)		1,100,818	(1,027,687)			(25,160)	16,747
U.S. Department of Labor Passed-Through State Department of Labor and Workforce Development Unemployment Trust Fund: COVID-19 CARES ACT - Unemployment Relief	17.000	N/A	N/A	28,902	4/1/20	6/30/20			28,902	(28,902)				
Total Unemployment Trust Fund									28,902	(28,902)				
Total Federal Financial Awards Expenditures									\$ 2,999,092	\$ (3,417,793)			\$ (9,726)	\$ 16,747
NC-represents noncash expenditures														

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

East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019					Balance at June 30, 2020				MEMO		
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:																
Schools Development Authority:																
SDA Grant High School - Telecommunication	1245-050-14-1001-G04	\$ 129,125	2014	Completion	\$ (103,299)							\$ (103,299)				\$ 116,213
SDA Grant High School - Roof and Door Replacement	1245-050-14-1007-G04	210,993	2014	Completion	(39,850)							(39,850)				208,645
SDA Grant Kreps Middle School - Roof and Door Replacement	1245-070-14-1010-G04	1,144,372	2014	Completion	(56,292)							(56,292)				1,143,445
SDA Grant Drew Elementary School - Roof and Door Replacement	1245-075-14-1011-G04	30,140	2014	Completion	(14,195)							(14,195)				29,416
Total Capital Projects Fund					<u>(213,636)</u>							<u>(213,636)</u>				<u>1,381,506</u>
Debt Service Fund:																
Debt Service Aid	20-495-034-5120-075	107,666	7/1/19	6/30/20				\$ 107,666	\$ (107,666)							107,666
Total Debt Service Fund								<u>107,666</u>	<u>(107,666)</u>							<u>107,666</u>
Enterprise Fund:																
State Department of Agriculture:																
National School Lunch Program (State Share)	20-100-010-3350-023	23,563	7/1/19	6/30/20				17,244	(23,563)			(6,319)				24,257
National School Lunch Program (State Share)	19-100-010-3350-023	24,257	7/1/18	6/30/19	(2,249)			2,249								
Total Enterprise Fund					<u>(2,249)</u>			<u>19,493</u>	<u>(23,563)</u>			<u>(6,319)</u>				<u>24,257</u>
Total State Financial Assistance Expenditures					<u>\$ (2,951,789)</u>	<u>\$ 31,184</u>	<u>\$ -</u>	<u>\$ 41,114,151</u>	<u>\$ (41,476,335)</u>	<u>\$ -</u>	<u>\$ (27,413)</u>	<u>\$ (982,849)</u>	<u>\$ -</u>	<u>\$ 27,010</u>	<u>\$ (2,354,363)</u>	<u>\$ 42,858,535</u>
State Financial Assistance Not Subject to Single Audit Determination:																
On-Behalf Teachers' Pension and Annuity Fund	20-495-034-5094-002	8,257,556	7/1/19	6/30/20				(8,257,556)	8,257,556							(8,257,556)
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-001	3,063,402	7/1/19	6/30/20				(3,063,402)	3,063,402							(3,063,402)
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	20-495-034-5094-004	10,310	7/1/19	6/30/20				(10,310)	10,310							(10,310)
Total State Financial Assistance Subject to Single Audit Determination					<u>\$ (2,951,789)</u>	<u>\$ 31,184</u>	<u>\$ -</u>	<u>\$ 29,782,883</u>	<u>\$ (30,145,067)</u>	<u>\$ -</u>	<u>\$ (27,413)</u>	<u>\$ (982,849)</u>	<u>\$ -</u>	<u>\$ 27,010</u>	<u>\$ (2,354,363)</u>	<u>\$ 31,527,267</u>

East Windsor Regional School District

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year ended June 30, 2020

1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal award and state financial assistance activity under programs of the federal and state government for the year ended June 30, 2020. The District is defined in Note 1 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, are included on the schedules of expenditures of federal awards and state financial assistance.

The information in these schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements. Because the schedules present only selected portions of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

The expenditures reported on the accompanying schedules of expenditures of federal awards and state financial assistance (Schedules) are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are allowable or are limited as to reimbursement. These bases of accounting is described in Note 1 to the District's basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal year,

East Windsor Regional School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2020

3. Relationship to Basic Financial Statements (continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$231,218 for the general fund and \$220,749 for the special revenue fund. See note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$400,803 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 111,466	\$ 41,099,144	\$ 41,210,610
Special Revenue Fund	2,041,615	14,744	2,056,359
Debt Service Fund		107,666	107,666
Food Service Enterprise Fund	1,027,687	23,563	1,051,250
Unemployment Trust Fund	28,902		28,902
Total award revenues	<u>\$ 3,209,670</u>	<u>\$ 41,245,117</u>	<u>\$ 44,454,787</u>

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.

East Windsor Regional School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2020

5. Adjustments

The adjustments presented on schedule K-3 are the result of the cancellations of prior year encumbrances.

6. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions represent 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.

The post retirement pension, disability insurance and medical benefits received on-behalf of the District for the year ended June 30, 2020 amounted to \$11,331,268. Since on-behalf post retirement pension, disability insurance and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however, they are required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

7. Indirect Costs

The District did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.

East Windsor Regional School District
Schedule of Findings and Questioned Costs

Year ended June 30, 2020

Part I – Summary of Auditor’s Results

Financial Statements Section

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
84.027A	H027A190100	IDEA, Part B, Regular

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

Part I – Summary of Auditor’s Results (continued)

State Financial Assistance Section

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditors’ report issued on compliance for major state programs: _____
Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? _____ Yes X No

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
	General State Aid Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Dollar threshold used to distinguish between Type A and Type B programs: _____
\$904,352

Auditee qualified as low-risk auditee? X Yes _____ No

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

Part II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2020

**Part III - Schedule of Federal and State Award Findings
and Questioned Costs**

No federal award or state financial assistance program internal control over compliance or internal control findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) and New Jersey State OMB Circular 15-08.

East Windsor Regional School District
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2020

No prior year findings were noted.