

**SCHOOL DISTRICT
OF
GREENWICH TOWNSHIP**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Greenwich Township Board of Education

Cumberland, New Jersey

For the Fiscal Year Ended June 30, 2020

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Prepared by

Greenwich Township Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE GREENWICH TOWNSHIP SCHOOL DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION

Greenwich Township School District

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Scott Bonham
Board President

Brandon Cobb
Chief School Administrator

Cherie Bratty
Board Secretary/School
Business Administrator

December 23, 2020

Honorable President and
Members of the Board of Education
Greenwich Township School District
Cumberland County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Greenwich Township School District for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the various funds of the District. All disclosures that we feel are 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Greenwich Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on a basis of governmental, business-type and fiduciary funds, which are all included in this report. The Greenwich Township Board of Education and its one school constitute the District's reporting entity.

Greenwich Township School District provides a full range of educational services appropriate for grade levels Pre-K through Eighth grade. These include regular education, as well as special education for handicapped students. Our students in grades 9-12 are sent to Cumberland Regional High. The Greenwich Township School District completed the 2019-2020 fiscal year with an enrollment of 65 students, which was the three more students than the prior year. The following changes in the student enrollment of the District over the last ten years show a leveling off for the later years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	65	4.84%
2018-19	62	(1.59)%
2017-18	63	(3.08)%
2016-17	65	(1.52)%
2015-16	66	8.20%
2014-15	61	(6.15)%
2013-14	65	(12.16)%
2012-13	74	(5.37)%
2011-12	78	2.89%
2010-11	76	1.14%

2. ECONOMIC CONDITION AND OUTLOOK:

The Greenwich area is experiencing a period of no development or expansion. The township consists primarily of residential and agricultural property. Lack of ratables impacts negatively on the tax rate for residents.

3. MAJOR INITIATIVES:

Bearing on the District's Future

The Greenwich-Stow Creek Partnership between Greenwich and Stow Creek Township is entering its thirteenth year. As the Partnership matures and continues to develop in new productive modes, Greenwich Township School District foresees gaining increasingly more benefits from the economies of scale and opportunities generated by this alliance. It is anticipated that new and innovative uses of the partnership will allow the continued enhancement of the quality of instruction and the expansion of educational opportunities available to the children of both districts while at the same time maintaining fiscally prudent stewardship of taxpayers' dollars.

The new state commitment to the SFRA (Full Funding Formula) and its consequent reduction in Adjustment Aid for Greenwich poses challenge to the district over the next five years and beyond. This reduction slashes available funding, but with taxation caps in place does not leave an avenue for relief without seriously cutting programs. Reduction in force has been necessary due to this squeeze of Aid reduction and tax cap. The district did a reduction in force of an elementary education teacher during the 2019-2020 school year and may need to make additional cuts in the future. The Greenwich-Stow Creek Partnership Schools are exploring a possible merger in the future.

Greenwich School District is continuing to use the economies of scale generated by its alliance with Greenwich Township in the Greenwich- Greenwich Partnership Schools to enhance the quality of instruction and the educational opportunities available to the children of both districts while reducing costs.

Greenwich School District partnered with Greenwich School district to secure a Preschool Education Expansion Aid (PEEA) grant to open a full-day, preschool for four year old district residents on January 2, 2020 and expanded it in September, 2020 to include three year olds. By this partnership and in collaboration with six other districts for various parts of the program, Greenwich will be able to provide a high quality preschool for our students and provide them with all the social, educational and developmental benefits of such a program. Extensive professional development featuring cross-content and multi-year staff training this year will focus on the preschool curriculum and the changes necessary to Kindergarten and beyond to ensure a smooth and productive transition.

Greenwich Township is continuing its major technology initiatives this year. After rewiring the school for faster Internet connection a few years ago, we are now planning to expand our One- to-One initiative to lower grade levels. The district has gone to completely digital textbooks in grades 5-8; this has the dual advantages of costs savings and considerably improved instructional materials in terms of interactivity, currency of information, motivation, and in particular enhanced and evolving differentiated instruction to the pupil level. The district has been able to secure self-paced, standards-based web-based programs such as IXL, Flocabulary and this year, had the opportunity to pilot Reading Plus. All of these programs have assisted in increasing student achievement. Due to the Adjustment Aid cuts our Technology teacher will not be able to work with our staff as an in-house technology infusion specialist as much as in recent years. The rents received from the cell tower erected on school property continue to help fund these educational technology advances. With its 4-G capabilities the on-site tower has the extra advantage, in addition to the rent earned, of providing cost competition for internet service since previously only one internet provider operated in the district.

Greenwich is also expanding the integrated, global computerized information system installed eight years ago. In addition to a complete Student Information System, Discipline system online, teacher lesson plans online, grade books, and teacher web-sites, we are utilizing a student statistics tool to drill down on the specific skills that our students need to improve their understanding of the subject area and a curriculum building tool to expedite our transition with the rest of New Jersey to the new State Educational Standards.

We are also using this integrated system as the technology tool to go along with the Danielson teacher evaluation model for AchieveNJ. We are doing this in partnership with the six neighboring districts which make up the constituency of the local regional high school to allow us to reap considerable economies of scale in the required staff training.

As part of our Curriculum Revision Cycle carried out in concert with the other six constituent districts we updated our Math, Language Arts, Music, Social Studies and Science standards to the new New Jersey standards effective this September 2019. The district also adopted Dance and Theater curriculum for the first time this year. In the upper middle school grades this will be the focus of our professional development and staff training this year.

Greenwich, on behalf of the partnership, is continuing to enter into other collaborative relationships with surrounding districts and businesses. We now share a World Languages teacher one period a day with Upper Deerfield, share CST services with Salem County Special Services', business administrator services, as well as, Business office services with Upper Deerfield School District, as well as, our numerous shared services with Greenwich in the partnership. By negotiating as one larger entity and sharing those services and costs with Greenwich, Greenwich has negotiated better contract terms with our Student Information System provider, our outsourced IT provider and our automated telephone contact system provider, technology providers, textbook publishers and others.

In conclusion, the School District has committed itself to educational excellence and continued parsimony. The new collaborations are allowing Greenwich to provide better and new educational services to our children and keep costs in check. Greenwich is taking the steps necessary to keep up with today's changing economic and regulatory conditions and still provide a world-class education for the children of Greenwich Township.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but 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 is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5. BUDGETARY CONTROLS:

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

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

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

As demonstrated by the various statements and schedules included in the financial statements section of the report, the District continues to meet its responsibility for sound financial management.

8. DEBT ADMINISTRATION:

As of June 30, 2020, the District does not have any debt, other \$44,295 in uncompensated absences. The amount available to authorize debt is \$2,279,201, as shown on Exhibit J-13.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. 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.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, PA. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Brandon Cobb

Brandon Cobb
Chief School Administrator

Cherie Bratty

Cherie Bratty
Board Secretary / Business Administrator

GREENWICH TOWNSHIP BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2020

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
William Parker II, President	2022
Stephen Barndt, Vice President	2020
David Cascais	2021
Rebecca Thompson-Albert	2021
Timothy Hunter	2021
Nicole Bostwick	2020
Michael Thompson	2020
Kelly Seabrook	2020
Megan Sheppard	2022
<u>OTHER OFFICIALS</u>	<u>Bond Coverage</u>
Brandon Cobb, Chief School Administrator	
Cherie Bratty, Board Secretary/Business Administrator	
Susan G. Robostello , Treasurer of School Monies	\$ 130,000
Frank DiDomenico, Esq., Solicitor	

GREENWICH BOARD OF EDUCATION
MORRIS GOODWIN SCHOOL

CONSULTANTS AND ADVISORS
JUNE 30, 2020

AUDIT FIRM

Raymond Colavita, CPA, RMA
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OFFICIAL NEWSPAPER

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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Greenwich Township School District
County of Cumberland, New Jersey 08323

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Greenwich Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Greenwich Township School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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, business-type activities, each major fund, and the aggregate remaining fund information of the Greenwich Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions 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 Greenwich Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule 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 non-major fund financial statements and the schedule 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.

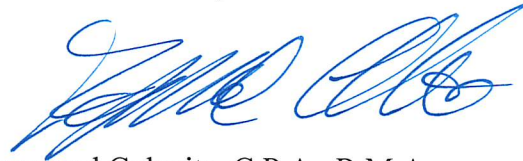
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 2020 on our consideration of the Greenwich Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Greenwich Township Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Greenwich Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
December 23, 2020

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Greenwich Township School District Management Discussion and Analysis (Unaudited)

This section of the Greenwich Township School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ending on June 30, 2020. Comparative information between the current year (2019-20) and the prior year (2018-19) is required to be presented in the MD&A. The intent of the discussion and analysis is to look at the District's financial performance as a whole. Interested parties should review the basic financial statements and notes in concert with this document in order to enhance and clarify their understanding of the finances of the District.

Using the Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include *notes* that explain various information in the statements and provide more detail. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

Key financial highlights for 2020 are as follows:

- The assets of the Greenwich School District exceeded its liabilities at the close of the most recent fiscal year on June 30, 2020 by \$279,539.
- Total net position of governmental activities increased by \$202,212, comprised of changes in various assets and liabilities. The net position of Business-type Activities decreased by \$12,058.
- As of the close of the current fiscal year, the Township of Greenwich School District's Governmental Funds reflected combined ending fund balances of \$392,749, which is an increase of \$228,831 from the prior year.

- General revenues accounted for \$1,465,455, which was 78.1% percent of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$410,879 or 21.6% percent to total revenues of \$1,876,334.
- The School District had \$1,686,180 in expenses, of which \$410,879 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily federal awards, state aid and property taxes) were adequate to provide for these programs, which include the Business-type Activities.
- The General Governmental Fund had \$1,665,860 in revenues and \$1,428,064 in expenditures. The General Fund balance increased \$237,796 over 2019. This decrease was anticipated by the Board of Education, although fund balance of \$1,548 was used to balance the budget, as shown on Exhibit C-1.

District-wide Financial Statements – Reporting the School District as a Whole

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

The two district-wide statements report the District's net assets and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or position.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

- Some funds are required by State Law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has four kinds of funds:

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

The School District as a Whole

Table 1 provides a comparative summary of the School District's net position for the years ended in 2020 and 2019.

Net assets. The District's combined net position is \$279,539 on June 30, 2020 (see Table A-1). Business-type activities net assets are \$40,372.

	<u>2020</u>	<u>2019</u>
Assets		
Current and Noncurrent Assets	\$ 605,515	\$ 528,232
Capital Assets, Net	150,491	157,672
Total Assets	<u>756,006</u>	<u>685,904</u>
Deferred Outflow of Resources	<u>45,068</u>	<u>87,494</u>
Liabilities		
Current Liabilities	172,394	320,716
Long-term Liabilities	206,640	199,427
Total Liabilities	<u>379,034</u>	<u>520,143</u>
Deferred Inflow of Resources	<u>142,501</u>	<u>163,870</u>
Net Position		
Invested in Capital Assets, Net of Debt	150,491	157,672
Restricted	200,018	30,156
Unrestricted (Deficit)	<u>(70,970)</u>	<u>(98,443)</u>
Total Net Position	<u>\$ 279,539</u>	<u>\$ 187,828</u>

Table 2 shows the changes in net position from fiscal year's 2020 and 2019.

Table 2
Changes in Net Position

	<u>2020</u>	<u>2019</u>
Revenues		
Programs Revenues		
Charges for Services	\$ 9,821	\$ 14,830
Operating Grants	401,058	390,112
General Revenues		
Property Taxes	978,360	941,583
Grants and Entitlements	404,806	575,730
Other	82,289	34,168
	<u>1,876,334</u>	<u>1,956,423</u>
Program Expenses		
Instruction	582,283	668,255
Tuition	6,889	18,873
Pupil and Instructional Staff	243,370	255,338
General Administration, School Administration	99,885	116,550
Operations and Maintenance of Facilities	136,798	136,200
Pupil Transportation	38,994	39,717
Employee Benefits	532,460	688,768
Food Service	45,501	37,791
Other		19,135
	<u>1,686,180</u>	<u>1,980,627</u>
Total Expenses		
Less: Fixed Asset Adjustment		
Increase in Net Position	<u>\$ 190,154</u>	<u>\$ (24,204)</u>

Governmental Activities

Revenues for the District's governmental activities amounted to \$1,842,891. Total expenses amounted to \$1,263,119. The increase in net assets in governmental activities was \$202,212 for 2020.

Business-Type Activities

Revenues for the District's Business-Type activities amounted to \$33,443. Total expenses amounted to \$45,501. The decrease in net assets in governmental activities was (\$12,058) for 2020.

Table 3

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Instruction	\$ 582,283	\$ 542,075	\$ 668,255	\$ 668,255
Tuition	6,889	6,889	18,873	18,873
Pupil and Instructional Staff	243,370	148,890	255,338	255,338
General Administration, School				
Administration, Business	99,885	99,885	116,550	116,550
Operation and Maintenance of Facilities	136,798	136,798	136,200	136,200
Pupil Transportation	38,994	38,994	39,717	39,717
Employee Benefits	532,460	289,588	688,768	321,306
Enterprise Funds	45,501		37,791	311
Other			19,135	19,135
Total Expenses	<u>\$ 1,686,180</u>	<u>\$ 1,263,119</u>	<u>\$ 1,980,627</u>	<u>\$ 1,575,685</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development. Curriculum and staff development expenses (included in support services) are related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Co-curricular activities include instructional expenses related to student activities provided by the School district, which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District as well as internal service fund expenses.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition as well as internal service fund expenses.

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

Unallocated Depreciation reflects the cost of fixed assets spread over the estimated useful lives of the individual assets

The School District's Funds

The financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported combined balances of \$392,749. Miscellaneous revenues were \$56,165 more than anticipated. The District also controlled expenditures.

General Fund Budgeting Highlights

Over the course of the year, the District revised the annual operating budget several times through budget transfers permitted by state statute.

The District's final budget anticipated utilizing \$1,548 in fund balance and \$28,499 of prior year encumbrances to fund the appropriation plan for this fiscal period. The actual results of operations increased the general fund balance \$234,857.

There were no actual expenditures for capital outlay, other than the debt service assessment from the State of New Jersey in the amount of \$136 and there were no Capital Project Fund expenditures made during the year.

Capital Assets

As of the end of 2020, the District had invested \$5,615,716 in a broad range of capital assets, including school buildings, athletic facilities, computer and audiovisual equipment, and administrative offices. (See Table A-3) (More detailed information about capital assets can be found in Note 5 to the financial statements.) Total depreciation expense for the year was \$7,181 while building improvements and additions to equipment and furniture amounted to \$0.

Table 4
Capital Assets (Net of Depreciation) at June 30, 2020

	<u>2020</u>	<u>2019</u>
Construction in Progress	\$	\$ 13,300
Building and Improvements	138,493	131,809
Equipment	11,998	12,563
Totals	<u>\$ 150,491</u>	<u>\$ 157,672</u>

Overall net Capital Assets decreased by \$7,181 from fiscal year 2019 to fiscal year 2020, representing a depreciation expense.

Long-Term Debt:

At year-end, the District had outstanding bonds in the amount of \$0 and capital lease principal of \$0. (More detailed information about long-term debt can be found in Note 7 to the financial statements.)

The state limits the amount of general obligation debt the District can issue to 3 percent of the equalized valuation of all taxable property within the District. The current limit is \$2,279,201 of which all is available for the future issuance of debt.

Factors Bearing on the District's Future

The Greenwich-Stow Creek Partnership between Stow Creek and Greenwich Township is entering its twelfth year. As the Partnership matures and continues to develop in new productive modes, Greenwich Township School District foresees gaining increasingly more benefits from the economies of scale and opportunities generated by this alliance. It is anticipated that new and innovative uses of the partnership will allow the continued enhancement of the quality of instruction and the expansion of educational opportunities available to the children of both districts while at the same time maintaining fiscally prudent stewardship of taxpayers' dollars.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cherie Bratty, Business Administrator, Greenwich Township Board of Education, 839 Ye Greate Street, Greenwich, NJ 08323.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 427,574	\$ 65,621	\$ 493,195
Receivables, Net	42,911	188	43,099
Interfunds Receivable	69,112		69,112
Restricted Assets:			
Cash	109		109
Capital Assets, Net (Note 6)	150,491		150,491
Total Assets	<u>690,197</u>	<u>65,809</u>	<u>756,006</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	45,068		45,068
LIABILITIES			
Current Liabilities:			
Accounts Payable	18,999	24,422	43,421
Payable to State Governments	106		106
Unearned Revenue	127,852	1,015	128,867
Noncurrent Liabilities:			
Due Within One Year			
Due Beyond One Year	206,640		206,640
Total Liabilities	<u>353,597</u>	<u>25,437</u>	<u>379,034</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	142,501		142,501
Net Position			
Invested in Capital Assets, Net of Related Debt	150,491		150,491
Restricted for:			
Capital Projects	8,729		8,729
Other Purposes	191,289		191,289
Unrestricted (Deficit)	(111,342)	40,372	(70,970)
Total Net Position	<u>\$ 239,167</u>	<u>\$ 40,372</u>	<u>\$ 279,539</u>

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total	
Governmental Activities:							
Instruction:							
Regular	\$ 523,216		\$ 40,208	\$ (483,008)		\$ (483,008)	
Special Education	40,079			(40,079)		(40,079)	
Other Instruction	18,988			(18,988)		(18,988)	
Support Services:							
Tuition	6,889			(6,889)		(6,889)	
Student & Instruction Related Services	243,370		94,480	(148,890)		(148,890)	
General and Business Administrative Services	73,369			(73,369)		(73,369)	
School Administrative Services	2,348			(2,348)		(2,348)	
Central Services	24,168			(24,168)		(24,168)	
Plant Operations and Maintenance	136,798			(136,798)		(136,798)	
Pupil Transportation	38,994			(38,994)		(38,994)	
Employee Benefits	532,460		242,872	(289,588)		(289,588)	
Total Governmental Activities	1,640,679		377,560	(1,263,119)		(1,263,119)	
Business-type Activities:							
Food Service	45,501	9,821	23,498		(12,182)	(12,182)	
Total Business-type Activities	45,501	9,821	23,498		(12,182)	(12,182)	
Total Primary Government	\$ 1,686,180	\$ 9,821	\$ 401,058	(1,263,119)	(12,182)	(1,275,301)	
General revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				978,360		978,360	
Federal and State Aid not restricted				404,806		404,806	
Miscellaneous Income				79,402		79,402	
Interest Earned				2,763	124	2,887	
Total General Revenues, Special Items, Extraordinary Items and Transfers				1,465,331	124	1,465,455	
				Change in Net Position	202,212	(12,058)	190,154
				Net Position - Beginning	36,955	52,430	89,385
				Net Position - Ending	\$ 239,167	\$ 40,372	\$ 279,539

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

GREENWICH TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 395,572	\$ 75,395	\$ 470,967
Cash - Capital Reserve	109		109
Accounts Receivables:			
Federal		34,940	34,940
State	7,971		7,971
Interfund Receivable	69,112		69,112
Total Assets	\$ 472,764	\$ 110,335	\$ 583,099
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 18,999	\$	\$ 18,999
Due to Grantor		106	106
Interfund Payable	43,393		43,393
Unearned Revenue		127,852	127,852
Total Liabilities	62,392	127,958	190,350
Fund Balances:			
Restricted For:			
Capital Reserve	109		109
Maintenance Reserve	71,901		71,901
Excess Surplus	119,388		119,388
Assigned Fund Balance:			
Other purposes - Encumbrances	8,620		8,620
Unassigned, Reported In:			
General Fund	210,354		210,354
Special Revenue Fund - (Deficit)		(17,623)	(17,623)
Total Fund Balances (Deficit)	410,372	(17,623)	392,749
Total Liabilities and Fund Balances	\$ 472,764	\$ 110,335	

Amounts reported for *governmental activities* in the Statement of Net Assets (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 \$5,615,716 and the accumulated depreciation is \$5,465,225 (Note 6).	150,491
Deferred Outflows of Resources - Deferred Pension Contributions	45,068
Deferred Inflows of Resources - Pension Actuarial gains	(142,501)
Long-term Liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(162,345)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(44,295)
Net Position of Governmental Activities	\$ 239,167

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

GREENWICH TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local Sources:			
Local Tax Levy	\$ 978,360	\$	\$ 978,360
Miscellaneous	82,165		82,165
Total Local Sources	<u>1,060,525</u>		<u>1,060,525</u>
State Sources	605,335	95,383	700,718
Federal Sources		71,440	71,440
Total Revenues	<u>1,665,860</u>	<u>166,823</u>	<u>1,832,683</u>
EXPENDITURES			
Current:			
Regular Instruction	480,137	40,208	520,345
Special Education Instruction	39,361		39,361
Other Special Instruction	18,988		18,988
Other Instruction			
Support Services:			
Tuition	6,889		6,889
Student & Instruction Related Services	148,890	94,480	243,370
General Administration	72,291		72,291
School Administrative Services	1,270		1,270
Central Services	24,168		24,168
Plant Operations and Maintenance	135,226		135,226
Pupil Transportation	38,994		38,994
Employee Benefits	461,714	41,100	502,814
Capital Outlay	136		136
Total Expenditures	<u>1,428,064</u>	<u>175,788</u>	<u>1,603,852</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>237,796</u>	<u>(8,965)</u>	<u>228,831</u>
OTHER FINANCING SOURCES (USES)			
Transfer to Food Service Fund			
Total Other Financing Sources and Uses			
Net Change in Fund Balances	237,796	(8,965)	228,831
Fund Balance—July 1	172,576	(8,658)	163,918
Fund Balance—June 30 (Deficit)	<u>\$ 410,372</u>	<u>\$ (17,623)</u>	<u>\$ 392,749</u>

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

GREENWICH TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	228,831
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	\$	(7,181)
Capital outlays		-
		(7,181)
<p>Pension contributions are reported in governmental funds as expenditures. However, In the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including Service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.</p>		
<p>The issuance of long-term debt through bonds or leases provides current financial resources to the governmental funds, while the repayment of principal on long-term debt represents a use of resources in governmental funds. The payment of long-term debt principal is not a use of funds in the statement of activities.</p>		
Pension Expense recognized for GAAP but not for budgetary purposes.		(791)
<p>In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year, such as compensated absences. In the governmental funds, however, expenditures are reported when the corresponding financial resources are used or paid.</p>		
		(18,647)
Change in Net Position of Governmental Activities (A-2)	\$	202,212

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

PROPRIETARY FUNDS

GREENWICH TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities	
	Enterprise Fund	
	Food Service	Total Enterprise
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 22,228	\$ 22,228
Accounts Receivable:		
State	137	137
Federal		
Other Program Fees	51	51
Interfund	43,393	43,393
Total Current Assets	<u>65,809</u>	<u>65,809</u>
LIABILITIES AND FUND EQUITY:		
Current Liabilities:		
Accounts Payable	\$ 24,422	\$ 24,422
Unearned Revenue	1,015	1,015
Total Current Liabilities	<u>25,437</u>	<u>25,437</u>
Net Position		
Unrestricted	<u>40,372</u>	<u>40,372</u>
Total Net Position	<u>\$ 40,372</u>	<u>\$ 40,372</u>

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

GREENWICH TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Food Sales Reimbursable Programs	\$ 9,324	\$ 9,324
Food Sales Non-Reimbursable Programs	497	497
Total Operating Revenue:	<u>9,821</u>	<u>9,821</u>
Operating Expenses:		
Salaries and Employee Benefits	14,856	14,856
Supplies and Materials	1,199	1,199
Cost of Sales - Reimbursable	29,026	29,026
Cost of Sales - Nonreimbursable	420	420
Total Operating Expenses	<u>45,501</u>	<u>45,501</u>
Operating Income (Loss)	<u>(35,680)</u>	<u>(35,680)</u>
Non-operating Revenues (Expenses):		
State Sources:		
State School Breakfast Program	508	508
Federal Sources:		
School Breakfast Program	5,951	5,951
National School Lunch Program	15,662	15,662
Food Distribution Program	1,377	1,377
Interest	124	124
Total Non-operating Revenues (Expenses)	<u>23,622</u>	<u>23,622</u>
Income (Loss) before Contributions & Transfers	<u>(12,058)</u>	<u>(12,058)</u>
Transfer from General Fund		
Change in Net Position	<u>(12,058)</u>	<u>(12,058)</u>
Total Net Position - Beginning	<u>52,430</u>	<u>52,430</u>
Total Net Position - Ending	<u>\$ 40,372</u>	<u>\$ 40,372</u>

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

GREENWICH TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities	
	Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 9,821	\$ 9,821
Payments to Employees	(13,479)	(13,479)
Payments to Suppliers	(706)	(706)
Net Cash Provided by (used for) Operating Activities	<u>(4,364)</u>	<u>(4,364)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	508	508
Federal Sources	21,613	21,613
Interest	-	-
Net Cash Provided by (used for) Non-capital Financing Activities	<u>22,121</u>	<u>22,121</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Net Cash Used by Capital Financing		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	124	124
Net Cash Provided by (used for) Investing Activities	<u>124</u>	<u>124</u>
Net Increase (Decrease) in Cash and Cash Equivalents	17,881	17,881
Balances—Beginning of Year	4,347	4,347
Balances—End of Year	<u>\$ 22,228</u>	<u>\$ 22,228</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided		
(Used) by Operating Activities:		
Operating Income (Loss)	\$ (35,680)	\$ (35,680)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Federal Commodities	1,377	1,377
Provided by (used for) Operating Activities:		
Decrease/(Increase) in Accounts Receivable	18,633	18,633
Decrease/(Increase) in Interfund Receivable	(1,315)	(1,315)
Increase/(Decrease) in Accounts Payable	11,926	11,926
Increase/(Decrease) in Prepaid Lunches	695	695
Total Adjustments	<u>31,316</u>	<u>31,316</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (4,364)</u>	<u>\$ (4,364)</u>

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

FIDUCIARY FUNDS

GREENWICH TOWNSHIP BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Trust Funds</u>	<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS			
Cash and Cash Equivalents	\$ 37,381	\$ 10,459	\$ 95,966
Due from Agency	5,816		
Total Assets	<u>\$ 43,197</u>	<u>\$ 10,459</u>	<u>\$ 95,966</u>
LIABILITIES			
Payable to Student Groups	\$	\$ 10,459	\$
Accounts Payable			
Payroll Deductions and Withholdings	151		21,038
Due to Unemployment Trust Fund			5,816
Due to General Fund			69,112
Total Liabilities	<u>\$ 151</u>	<u>\$ 10,459</u>	<u>\$ 95,966</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 43,046</u>		

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

GREENWICH TOWNSHIP BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Member	\$ 1,196
Investments and Earnings:	
Interest	201
Total Additions	<u>1,397</u>
DEDUCTIONS:	
Unemployment Claims	
Total Deductions	
Change in Net Position	<u>1,397</u>
Net Position - July 1	<u>41,649</u>
Net Position - June 30	<u>\$ 43,046</u>

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Greenwich Township School District is a Type II district located in the County of Cumberland, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine (9) members elected to three (3) year terms. The purpose of the district is to educate students in grades K-8. The Greenwich Township School District had an enrollment at June 30, 2020 of 65 students.

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

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

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

B. Basic Financial Statements – Governmental Wide Financial Statements

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

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Basic Financial Statements – Governmental Wide Financial Statements – (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Program revenue include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenue, are presented as general revenues of the school district.

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

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. Basic Financial Statements – Fund Financial Statements

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by a category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category of the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

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

Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

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

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

- b. Special Revenue Fund: The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Fund: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.
- d. Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs. The District currently has no outstanding bonds and therefore, has not included a Debt Service Fund.

Fund Balances – Governmental Funds

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

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

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted or unrestricted fund balance is available, the District considers restricted funds to be spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the District considers amounts to have been spent first out of committed, then assigned funds and finally unassigned funds as needed.

2. Proprietary Funds:

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

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users of goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district.
- b. Internal Service Fund are used to charge costs for certain activities to individual funds or other governmental entities. The District has no Internal Service Fund.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and is reported using accounting principles similar to proprietary funds.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Basic Financial Statements – Fund Financial Statements – (Continued)

3. Fiduciary Funds: (Continued)

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the entity-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

D. Basis of Accounting

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

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

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

E. Financial Statement Amounts

1. Cash and Cash Equivalents:

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

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

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

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

2. Investments:

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

3. Inventories:

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

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

4. Capital Assets:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extended the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Infrastructure Assets	50-65 years

Infrastructure assets include roads, parking lots, underground pipe, etc. The District includes all infrastructure assets as depreciable assets in the financial statements.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations are reported as non operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs other than those reported in the enterprise fund are reported in the period when inventory items are purchased, rather than in the period used.

7. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as both an expenditure and a fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

9. Budgets/Budgetary Control:

Annual appropriation budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPs, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools.

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

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.

10. Tuition Receivables:

Tuition charges were established by the Boards of Education based on estimated costs. The nonresident tuition charge for fiscal years 2019/20 was \$0.

11. Tuition Payable:

Tuition charges for the fiscal years 2019/2020 were based on rates established by the receiving district. These rates are subjected to change when the actual costs have been determined.

12. Use of Estimates:

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. Financial Statement Amounts – (Continued)

13. Allocation of Costs:

In the government-wide statement of activities, the District has not allocated unallocated benefits to various programs.

14. Pensions

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

F. New Accounting Standards

The School District has adopted the following GASB statements:

- *GASB Statement - No. 95 – Postponement of the Effective Dates of Certain Authoritative Guidance:* The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. Management is evaluating the potential impact of the adoption of GASB 95 on the School District's financial statements.

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- *GASB No. 84 - Fiduciary Activities:* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- *GASB No. 87 - Leases:* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- *GASB No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period:* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. New Accounting Standards – (Continued)

- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 90 on the School District’s financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District’s financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District’s financial statements.
- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District’s financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District’s financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District’s financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB*

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. New Accounting Standards – (Continued)

Statement No. 32: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and 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 stated at cost. All other investments are stated at fair value.

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

- a.) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b.) Bonds or any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c.) Bonds or other obligations of the school district.

School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2019, the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq, establish requirements for the security of deposits of governmental units. The statutes require that school districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - (Continued)

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, 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 Governmental Units.

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 Jersey, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The school district has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

As of June 30, 2020, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	Cash and Cash Equivalents
Checking accounts	\$ 637,110
Total	\$ 637,110

Custodial Credit Risk:

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of GUDPA Act as previously described.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2020, the District's bank balance of \$680,070 was insured or collateralized as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>430,070</u>
	<u>\$ 680,070</u>

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS - (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 3 - CAPITAL RESERVE ACCOUNT

A capital reserve account was established by New Jersey school districts for the accumulation of funds for 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 deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April, 2005 transfers must be in compliance with P.L.2005, C73 (S1701). Pursuant to N.J.A.C. 6A:23A-14.1(g) the balance in the account cannot at any time exceed the local support cost of uncompleted capital projects of \$778,082 as shown in the approved LRFP.

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

Beginning Balance, July 1, 2019	\$109
Interest earnings	-
Deposits	
Approved in 2019/2020 Budget	-
Board Resolution	-
Withdrawals	
Board Resolution	-
Ending balance, June 30, 2020	<u>\$109</u>

NOTE 4 - MAINTENANCE RESERVE

The Maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23-2.14) or by transfer by board resolution at year end of any anticipated revenue or unexpended line item appropriations, or both.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 - MAINTENANCE RESERVE – (Continued)

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

Beginning Balance July 1, 2019	
Deposits - Board Resolution	\$ 71,901
Withdrawals - Board Resolution/Reduction in State Aid	
Ending balance June 30, 2020	<u>\$ 71,901</u>

The June 30, 2020 maximum maintenance reserve amount is \$85,800.

NOTE 5 - OPERATING LEASES

The District has a commitment for copiers under an operating lease. The lease is for a term of 60 months. Total operating lease payments made during the year ended June 30, 2020 were \$2,438. Future minimum payments due on the leases are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2021	\$ 2,220
June 30, 2022	2,220
June 30, 2023	2,220
June 30, 2024	2,220
June 30, 2025	555
	<u>\$ 9,435</u>

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - FIXED ASSETS

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

	<u>Beginning Balance July 1, 2019</u>	<u>Additions</u>	<u>Adjustment/ Retirements</u>	<u>Ending Balance June 30, 2020</u>
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land				
Construction in Progress	\$ 13,300		\$ (13,300)	\$ -
Total Capital Assets not Being Depreciated	13,300		(13,300)	
Land Improvements				
Building and Building Improvements	5,469,084		13,300	5,482,384
Vehicles				
Machinery and Equipment	133,332			133,332
Totals at Historical Cost	5,602,416		13,300	5,615,716
Less Accumulated Depreciation for :				
Land Improvements				
Building and Improvements	(5,337,275)	(6,616)		(5,343,891)
Vehicles				
Machinery and Equipment	(120,769)	(565)		(121,334)
Total Accumulated Depreciation	(5,458,044)	(7,181)		(5,465,225)
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	144,372	(7,181)		150,491
Government Activities Capital Assets, Net	\$ 157,672	\$ (7,181)	\$ -	\$ 150,491
	To A-1			To A-1
Business-type Activities - Equipment				
Less Accumulated Depreciation				
Business-type Activities Capital Assets, Net	\$ -	\$ -		\$ -

The opening balance on the Statement of Net Position has been restated to reflect the Governmental Activity adjustment above.

Depreciation Expense was Charged to Governmental Functions as Follows:

Instruction	
Regular	\$ 2,871
Special Education	718
Support Services	
School Administration	1,078
General and Business Administrative Services	1,078
Plant Operations and Maintenance	1,436
Total Depreciation Expense	\$ 7,181

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7 – GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2020, the following occurred in liabilities reported in the general long-term debt account group:

A. Bonds Payable:

Type of Debt	Balance at 06/30/19	Additions	Retired	Balance at 06/30/20	Amounts Due Within 1 Year
Governmental Activities:					
Compensated Absences Payable	\$25,648	\$18,647	\$0	\$44,295	\$0
Total	\$25,648	\$18,647	\$0	\$44,295	\$0

Bonds are authorized in accordance with State laws by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

As of June 30, 2020, the Board had no serial bond outstanding, nor were there any authorized but not issued bonds.

B. Capital Leases Payable:

The District had no capital leases in force during the 2019-2020 year.

NOTE 8 - PENSION PLANS

Description of Plans - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2020 were 4,202. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2020 is 13.69% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year.

The District's contributions to PERS for the years ended June 30, 2020, and 2019, were \$8,832 and \$8,863 respectively.

The total payroll for the year ended June 30, 2020 was \$667,847. Payroll covered by PERS was \$56,025 for fiscal year 2020.

Components of Net Pension Liability - At June 30, 2020, the District's proportionate share of the PERS net pension liability was \$162,345. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The District's proportion measured as of June 30, 2019 was 0.000901% which was an increase of 0.00002% from its proportion measured as of June 30, 2018.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2020 PERS pension expense, with respect to GASB 68, was \$693. The District's 2020 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,914	\$ 717
Changes of assumptions	16,211	56,349
Net difference between projected and actual earnings on pension plan investments	-	2,563
Changes in proportion	25,943	82,872
Contributions subsequent to the measurement date	8,832	
Total	\$ 53,900	\$ 142,501

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>		<u>PERS</u>
2021	\$	(16,594)
2022		(36,846)
2023		(37,255)
2024		(6,058)
2025		(680)
Thereafter		
Total	\$	(97,433)

Additional Information - Collective Balances at June 30, 2020 and 2019 are as follows:

<u>Year</u>		<u>2020</u>		<u>2019</u>
Collective deferred outflows of resources	\$	53,900	\$	78,662
Collective deferred inflows of resources	\$	142,501	\$	163,870
Collective Net Pension Liability	\$	162,345	\$	173,779
District's Proportion		0.000901%		0.000883%

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

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

	PERS
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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 from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 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, 2014 to June 30, 2018.

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Public Employees' Retirement System (Continued)

Asset Class	PERS 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%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.28%)	Current Discount (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	\$ <u>206,495</u>	\$ <u>162,345</u>	\$ <u>127,224</u>

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

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. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100% special funding situation with the State of New Jersey.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (Continued)

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$118,542 to the TPAF for pension contributions, \$43,977 for post-retirement benefits on behalf of the School, and \$119 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$38,890 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.

Components of Net Pension Liability - At June 30, 2020, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

Pension Expense - For the year ended June 30, 2020, the District recognized pension expense of \$201,772 and revenue of \$201,772 for support provided by the State.

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

	TPAF
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

Long-Term Expected Rate of Return - 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:

	TPAF	
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%
Total	100.00%	

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (Continued)

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.60%)	Current Discount (5.60%)	1% Increase (6.60%)
State's Share of the Net Pension Liability associated with the District	\$ 4,043,705	\$ 3,420,873	\$ 2,919,230
State's Share of the Net Pension Liability	\$ 72,544,649,801	\$ 61,519,112,443	\$ 52,371,397,951

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

Eligibility

1. State or Local Officials who are elected or appointed on or after July 1, 2007
2. Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3. Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4. Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5. Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - PENSION PLANS (Continued)

Defined Contribution Retirement Program (DCRP) (Continued)

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2020, employee contributions totaled \$817 and the District's employer contribution, recognized in pension expense, was \$598. There were no forfeitures during the fiscal year.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

NOTE 9. - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (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 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.

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

Special Funding Situation

The participating local education employer allocations included in the supplemental schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9. - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The State of New Jersey’s total OPEB liability, as of the measurement date of June 30, 2019, was \$41,729,081,045. Of this amount, the total OPEB liability attributable to the School District was \$3,590,082. The State of New Jersey’s proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.00860%. The total OPEB liability for the School District measured as of June 30, 2019 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District’s proportionate share of the total OPEB liability measured as of June 30, 2019 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

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 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/ABP	PERS	PFRS
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Age	Age
Through 2026	1.55% - 3.05%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 3.05%	3.00% - 7.00%	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) 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.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9. - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount rate

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

State of New Jersey	<u>Total OPEB Liability</u>
Balance as of June 30, 2018 Measurement Date	\$ <u>46,110,832,982</u>
Changes for the year:	
Service Cost	1,734,404,850
Interest	1,827,787,206
Changes of Benefit Terms	
Differences between Expected and Actual	(7,323,140,818)
Changes of Assumptions	622,184,027
Benefit Payments	(1,280,958,373)
Contributions from Members	<u>37,971,171</u>
Net Changes	<u>(4,381,751,937)</u>
Balance as of June 30, 2019 Measurement Date	\$ <u><u>41,729,081,045</u></u>

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2019, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2019</u>		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.50%	3.50%	4.50%
\$	49,298,534,898	41,729,081,045	35,716,321,820

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

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

	<u>June 30, 2019</u>		
	Healthcare Cost		
	1.00% Decrease	Trend Rate	1.00% Increase
\$	34,832,902,820	41,729,081,045	51,453,912,586

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 9. - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2020, the School District recognized OPEB expense of \$(29,045). The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 902,054
Changes of Assumptions		729,692
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		465,227
Contributions Subsequent to the Measurement Date		
Total	\$ 0	\$ 2,096,973

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2020	\$	(279,343)
2021		(279,343)
2022		(279,343)
2023		(279,343)
2024		(279,343)
Thereafter		(700,258)
Total	\$	(2,096,973)

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 10 - COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental activities is recorded as long-term debt in the district-wide statements. The current portion of the compensated absences balance is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

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 General Fund in the amount of \$44,295.

NOTE 11 - DEFERRED COMPENSATION

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

Lincoln Investments
Sircusa Benefits

NOTE 12 - RISK MANAGEMENT

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 12 - RISK MANAGEMENT – (Continued)

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Amount Reimbursed</u>	<u>Adjustment</u>	<u>Ending Balance</u>
2019-2020	\$0	\$1,196	\$201	\$0	\$0	\$43,046
2018-2019	0	1,261	197	0	0	41,649
2017-2018	0	1,306	196	0	(151)	40,191

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2020.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$69,112	\$43,393
Enterprise Fund	43,393	
Fiduciary Fund	5,816	74,928
	<u>\$118,321</u>	<u>\$118,321</u>

The interfund between the Fiduciary (Agency) Fund and the General Fund is the result of health contributions withheld from employees not yet remitted from the Agency Fund to the General Fund as of June 30, 2020. The interfund between the General Fund and Enterprise Fund (Cafeteria) is a result of federal and state meal reimbursements received by the general fund and not yet remitted to the Enterprise Fund.

NOTE 14 - CONTINGENT LIABILITIES

GRANT PROGRAM

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

LITIGATION

The Board is involved in several claims and lawsuits incidental to its operation. 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 District.

NOTE 15 - 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.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 15 - TAX ABATEMENTS – (Continued)

School districts are not authorized by New Jersey statute to enter into tax abatement agreements. 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 agreements 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 provisions 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.

NOTE 16 - FUND BALANCE APPROPRIATED

General Fund

Of the \$410,372 General Fund balance at June 30, 2020, \$8,620 is reserved for encumbrances; \$119,388 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$0 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021); \$109 has been reserved in the Capital Reserve Account; \$71,901 has been reserved in the Maintenance Reserve Account; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; and \$210,354, is unreserved and undesignated.

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School district as of June 30, 2020.

RESTRICTED

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

General Fund:

Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$119,388 has been restricted and designated for utilization in the 2021-2022 budget.

Capital Reserve Account: As of June 30, 2020, the balance in the capital reserve account is \$109. These funds are restricted for the future approved capital projects of school facilities.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 16 - FUND BALANCE APPROPRIATED (Continued)

For Maintenance Reserve Account: As of June 30, 2020, the balance in the maintenance reserve account is \$71,901. These funds are restricted for the required maintenance of school facilities in accordance with Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

COMMITTED

As stated in Note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. As of June 30, 2020, the School District had no other funds committed.

ASSIGNED

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

For Subsequent Year's Expenditures: The School District did not appropriate or include any funds as an anticipated revenue for the fiscal year ending June 30, 2021.

UNASSIGNED

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

General Fund:

As of June 30, 2020, the unassigned fund balance of the general fund was \$250,000.

Capital Projects:

As of June 30, 2020, the Capital Project Fund balance was \$0.

Debt Service Fund:

The School District has no Debt Service Fund.

NOTE 17 - CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$119,388, which is to be budgeted in 2021-22.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 18 - DEFICIT FUND BALANCES

The District has a deficit fund balances of (\$17,623) in the Special Revenue 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 delayed one or more June 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, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district can not recognize the June state aid payment(s) on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 19 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2020 through November 18, 2020, the date that the financial statements were available to be issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

GREENWICH TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 978,360	\$	\$ 978,360	\$ 978,360	\$
Unrestricted Miscellaneous Revenues	25,500		25,500	79,402	53,902
Interest Earned				2,763	2,763
Interest Earned on Maintenance Reserve	250		250		(250)
Interest Earned on Cap Reserve Funds	250		250		(250)
Total - Local Sources	1,004,360		1,004,360	1,060,525	56,165
State Sources:					
Categorical Special Education Aid	37,201		37,201	37,201	
Equalization Aid	189,820		189,820	189,820	
Categorical Security Aid	7,420		7,420	7,420	
Adjustment Aid	136,325		136,325	136,325	
Categorical Transportation Aid	30,102		30,102	30,102	
On-Behalf TPAF Pension Contrib (Non-budgeted)				118,542	118,542
On-behalf Post-Retirement Medical Contribution				43,977	43,977
On-behalf Long-term Disability Contribution				119	119
Reimbursed TPAF Social Security Contributions (Non-budgeted)				38,890	38,890
Total - State Sources	400,868		400,868	602,396	201,528
TOTAL REVENUES	1,405,228		1,405,228	1,662,921	257,693
EXPENDITURES:					
Current Expense:					
Salaries of Teachers:					
Kindergarten	72,057	(5,000)	67,057	64,212	2,845
Grades 1-5	112,046	9,334	121,380	115,066	6,314
Grades 6-8	160,582	(25,774)	134,808	120,232	14,576
Regular Programs - Home Instruction:					
Salaries of Teachers					
Regular Programs - Undistributed Instruction:					
Other Purchased Services	59,790	90,478	150,268	142,037	8,231
General Supplies	27,000	(4,490)	22,510	19,263	3,247
Textbooks	2,000	20,234	22,234	18,827	3,407
Other Objects		500	500	500	
Total Regular Programs - Instruction	\$ 433,475	\$ 85,282	\$ 518,757	\$ 480,137	\$ 38,620

GREENWICH TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:					
Resource Room/Resource Center					
Salaries of Teachers	\$ 70,350	\$ (14,741)	\$ 55,609	\$ 39,361	\$ 16,248
Total Resource Room/Resource Center	70,350	(14,741)	55,609	39,361	16,248
Total Special Education - Instruction	70,350	(14,741)	55,609	39,361	16,248
Basic Skills/Remedial - Instruction					
Salaries of Teachers	13,990	4,866	18,856	18,638	218
General Supplies	1,150		1,150		1,150
Textbooks	550		550		550
Total Basic Skills/Remedial - Instruction	15,690	4,866	20,556	18,638	1,918
School Sponsored Co-curricular Activities - Instruction					
Salaries of Teachers	7,000		7,000	350	6,650
Total School Sponsored Co-curr. Act. - Instr.	7,000		7,000	350	6,650
School Sponsored Athletics - Athletics					
Salaries of Teachers	1,500		1,500		1,500
Purchased Services (400-500 Series)	500		500		500
Supplies and Materials	900		900		900
Total School Sponsored Athletics - Instruction	2,900		2,900		2,900
Total Instruction	529,415	75,407	604,822	538,486	66,336
Undistributed Expenditures:					
Instruction					
Tuition to Other LEA's within State Regular		7,003	7,003	6,889	114
Tuition - CSSD & Regular Day Schools		1,910	1,910		1,910
Total Instruction		8,913	8,913	6,889	2,024
Attendance and Social Work Services:					
Salaries					
Total Attendance and Social Work Services					
Health Services:					
Purch Professional/Technical Services	62,763	2,265	65,028	60,464	4,564
Other Purchased Services	1,600	(803)	797	193	604
Supplies and Materials	1,500	581	2,081	2,002	79
Total Health Services	\$ 65,863	\$ 2,043	\$ 67,906	\$ 62,659	\$ 5,247

GREENWICH TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Speech, OT, PT and Related Services:					
Purchased Professional/Educational Services	\$ 8,000	\$ 9,502	\$ 17,502	\$ 7,697	\$ 9,805
Total Speech, OT, PT and Related Services	8,000	9,502	17,502	7,697	9,805
Other Support Services-Students-Extra Services:					
Purchased Professional/Educational Services	8,000	(8,000)			
Total Other Support Serv-Students-Extra Services	8,000	(8,000)			
Other Support Services - Students-Regular:					
Salaries Other Prof Staff					
Total Other Support Services - Students - Regular					
Guidance					
Salaries of Other Professional Staff	10,561	(3,000)	7,561	7,392	169
Total Undistributed Services Guidance	10,561	(3,000)	7,561	7,392	169
Other Support Services-Students-Child Study Teams:					
Salaries of Secretarial and Clerical Assistants	975		975	41	934
Purchased Professional - Educational Services	9,758	(7,762)	1,996		1,996
Other Purchased Prof. and Tech. Services	500		500		500
Total Other Support Serv-Child Study Teams	11,233	(7,762)	3,471	41	3,430
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	67,418	(10,343)	57,075	45,368	11,707
Salaries of Secretary and Clerical Assistant	23,466	1,213	24,679	24,496	183
Other Purch. Prof. & Tech. Services		540	540	540	
Total Improvement of Instruction Services	90,884	(8,590)	82,294	70,404	11,890
Educational Media Services/School Library:					
Salaries	325		325	14	311
Supplies and Materials	1,000		1,000	459	541
Total Educational Media Services/School Library	1,325		1,325	473	852
Instructional Staff Training Services:					
Purchased Professional/Educational Services	1,000	(540)	460	128	332
Other Purchased Services	500		500	96	404
Total Instructional Staff Training Services	\$ 1,500	\$ (540)	\$ 960	\$ 224	\$ 736

GREENWICH TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Support Services - General Administration:					
Legal Fees	\$ 2,000	\$ 355	\$ 2,355	\$ 1,977	\$ 378
Audit Fees	12,000	500	12,500	12,500	
Other Purchased Prof Services	46,672	2,962	49,634	49,634	
Communications/Telephone	1,000	(75)	925	886	39
BOE Other Purchased Services	300	75	375	375	
Other Purchased Services	1,800	3,800	5,600	5,595	5
Miscellaneous Expenditures	5,600	(4,392)	1,208	254	954
BOE Membership Dues and Fees	2,100		2,100	1,070	1,030
Total Support Services - General Administration	71,472	3,225	74,697	72,291	2,406
Support Services - School Administration:					
Salaries of Secretarial/Clerical Assistants	1,000		1,000	135	865
Other Purchased Services		431	431	429	2
Other Objects	1,400		1,400		1,400
Supplies and Materials	2,000	(236)	1,764	706	1,058
Total Support Services - School Administration	4,400	195	4,595	1,270	3,325
Central Services:					
Salaries	5,150		5,150		5,150
Purchased Professional Services	20,000	(402)	19,598	19,048	550
Purchased Technical Services	3,000	2,120	5,120	5,120	
Supplies and Maintenance	500	(313)	187		187
Total Central Services	28,650	1,405	30,055	24,168	5,887
Operation and Maintenance of Plant Services:					
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	21,000	4,284	25,284	25,284	
General Supplies		1,008	1,008	1,008	
Total Required Maintenance for School Facilities	21,000	5,292	26,292	26,292	
Other Operation and Maintenance of Plant Services:					
Salaries	42,140	(1,390)	40,750	33,127	7,623
Purchased Professional/Technical Services	13,000	(7,736)	5,264	2,833	2,431
Cleaning, Repair and Maintenance Services	16,900	5,568	22,468	22,427	41
Other Purchased Property Services					
Insurance	8,500	2,382	10,882	10,819	63
Miscellaneous Purchased Services	500		500		500
General Supplies	6,000	192	6,192	4,323	1,869
Energy (Electricity)	28,000	3,600	31,600	28,591	3,009
Energy (Gas)	804		804		804
Energy (Oil)	8,000		8,000	6,814	1,186
Total Other Operation and Maint. of Plant Services	123,844	2,616	126,460	108,934	17,526
Total Operation and Maintenance of Plant Services	\$ 144,844	\$ 7,908	\$ 152,752	\$ 135,226	\$ 17,526
Interest Earned on Maintenance Reserve	250		250		250

GREENWICH TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)					
Undistributed Expenditures: (Continued)					
Student Transportation Services:	\$	\$	\$	\$	\$
Sal. For Pupil Trans (Btw Home & School) - Reg	37,250		37,250	37,250	
Contract Serv (Other than Btw Home & School) Vendi	3,090		3,090	644	2,446
Contracted Services - Aid in Lieu Payments - Non-Put	3,000	500	3,500	1,000	2,500
Other Purchased Prof. and Technical Serv.	3,000	(3,000)			
Misc Purchased Svc. Transp		100	100	100	
Total Student Transportation Services	46,340	(2,400)	43,940	38,994	4,946
Unallocated Benefits					
Social Security Benefits	6,886	1,597	8,483	7,983	500
Other Retirement Contributions - PERS	15,116	(1,597)	13,519	9,430	4,089
Workmens Compnesation	10,050	2,000	12,050	11,885	165
Health Benefits	303,278	(60,737)	242,541	230,088	12,453
Tuition Reimbursements		800	800	800	
Other Employee Benefits	9,000	(800)	8,200		8,200
Total Unallocated Benefits	344,330	(58,737)	285,593	260,186	25,407
On-Behalf TPAF Pension Contrib (Non-budgeted)				118,542	(118,542)
On-Behalf TPAF Post Retirem. Medical Contrib.(Non-budgeted)				43,977	(43,977)
On-behalf Long-term Disability Contribution				119	(119)
Reimbursed TPAF Soc. Sec. Contrib. (Non-budgeted)				38,890	(38,890)
Total Undistributed Expenditures	837,402	(55,838)	781,564	889,442	(107,878)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 1,367,067	\$ 19,569	\$ 1,386,636	\$ 1,427,928	\$ (41,292)

GREENWICH TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
CAPITAL OUTLAY:					
Undistributed Expenditures:					
Equipment					
Operating and Maintenance	\$	\$ 24,263	\$ 24,263	\$	\$ 24,263
Total Undistributed Expenditures		24,263	24,263		24,263
Facilities Acquisition and Construction Services:					
Construction Services					
Land and Improvements					
Assessment for Debt Service on SDA Funding	136		136	136	
Total Facilities Acquisition and Construction Services	136		136	136	
Interest Deposit to Capital Res	250		250		250
TOTAL CAPITAL OUTLAY	386	24,263	24,649	136	24,513
TOTAL EXPENDITURES	1,367,453	43,832	1,411,285	1,428,064	(16,779)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	37,775	(43,832)	(6,057)	234,857	240,914
Other Financing Sources (Uses):					
Transfer to Food Service Fund	(21,557)		(21,557)		21,557
Transfer to Charter School	(17,766)	15,333	(2,433)		2,433
Total Other Financing Sources	(39,323)	15,333	(23,990)		23,990
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,548)	(28,499)	(30,047)	234,857	264,904
Fund Balances, July 1	215,161		215,161	215,161	
Fund Balances, June 30	\$ 213,613	\$ (28,499)	\$ 185,114	\$ 450,018	\$ 264,904
<u>RECAPITULATION :</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 109	
Maintenance Reserve				71,901	
Excess Surplus				119,388	
Assigned Fund Balance:					
Encumbrances				8,620	
Designated for Subsequent Year's Expenditures					
Unassigned Fund Balance				250,000	
				450,018	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(39,646)	
Fund Balance per Governmental Funds (GAAP)				\$ 410,372	

GREENWICH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Sources	\$	\$	\$	\$	\$
Federal Sources	80,131		80,131	71,440	(8,691)
State Sources	191,232		191,232	104,348	(86,884)
Total Revenues	<u>271,363</u>		<u>271,363</u>	<u>175,788</u>	<u>(95,575)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	26,000		26,000	26,000	
Tuition	415		415	415	
General Supplies	59,744		59,744	13,793	45,951
Total Instruction	<u>86,159</u>		<u>86,159</u>	<u>40,208</u>	<u>45,951</u>
Support Services					
Salaries of Secretaries & Clerical Assistants	10,000		10,000	10,000	
Other Salaries	10,000		10,000	10,000	
Master Teacher	50,000		50,000	50,000	
Employee Benefits	41,100		41,100	41,100	
Cleaning and Repairs	20,194		20,194		20,194
Contract Serv (Between Home & School) Vendors	15,000		15,000		15,000
Contract Serv Field Trips	3,000		3,000		3,000
Travel	1,000		1,000		1,000
Materials and Supplies	2,000		2,000		2,000
Purchased Professional Educational Services	21,063		21,063	19,615	1,448
Purchased Professional Services	3,347		3,347	2,347	1,000
Other Purchased Services	8,500		8,500	2,518	5,982
Total Support Services	<u>185,204</u>		<u>185,204</u>	<u>135,580</u>	<u>49,624</u>
Total Expenditures	<u>271,363</u>		<u>271,363</u>	<u>175,788</u>	<u>95,575</u>
Other Financing Sources (Uses)					
Total Outflows	<u>271,363</u>		<u>271,363</u>	<u>175,788</u>	<u>95,575</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

GREENWICH TOWNSHIP SCHOOL DISTRICT
BUDGET-TO-GAAP RECONCILIATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 1,662,921	[C-2] \$ 175,788
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior		10,951
Current		(21,053)
State aid payment recognized for Gaap statements in the current year, previously recognized for budgetary purposes.	42,585	8,658
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(39,646)	(17,623)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ <u>1,665,860</u>	[B-2] \$ <u>156,721</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 1,428,064	[C-2] \$ 175,788
Differences - budget to GAAP		
Encumbrances for supplies and equipment order not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior		10,951
Current		(21,053)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ <u>1,428,064</u>	[B-2] \$ <u>175,788</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.000901%	0.000883%	0.001448%	0.001454%	0.001067%	0.001042%	0.001021%
District's Proportionate Share of the Net Pension Liability	\$ 162,345	\$ 173,779	\$ 337,142	\$ 430,762	\$ 239,459	\$ 195,111	\$ 195,183
District's Covered-Employee Payroll	\$ 56,025	\$ 43,529	\$ 63,474	\$ 61,980	\$ 89,052	\$ 70,830	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	289.77%	399.23%	531.15%	695.00%	268.90%	275.46%	N/A
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions
Public Employees' Retirement System (PERS)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	8,832	17,591	\$ 15,966	\$ 16,406	\$ 17,125	\$ 17,267	\$ 15,469
Contributions in relation to the Contractually Required Contribution	(8,832)	(17,591)	(15,966)	(16,406)	(17,125)	(17,267)	(15,469)
Contribution Deficiency (Excess)			\$	\$	\$	\$	\$
District's Covered-Employee Payroll	56,025	43,529	\$ 63,474	\$ 61,980	\$ 89,052	\$ 70,830	\$ N/A
Contributions as a Percentage of Covered-Employee Payroll	15.76%	40.41%	25.15%	26.47%	19.23%	24.38%	N/A

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.005574%	0.004988%	0.004940%	0.004953%	0.004676%	0.004908%	0.005172%
District's Proportionate Share of the Net Pension Liability	\$ 3,420,872	\$ 3,172,981	\$ 3,330,836	\$ 3,896,203	\$ 2,955,295	\$ 2,623,213	\$ 2,613,950
District's Covered-Employee Payroll	\$ 550,980	\$ 578,520	\$ 587,756	\$ 573,512	\$ 520,093	\$ 489,600	N/A
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	620.87%	548.47%	566.70%	679.36%	568.22%	535.79%	N/A
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%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service Cost	\$ 93,033	\$ 115,759	\$ 226,251
Interest Cost	161,363	183,896	160,752
Changes of Benefit Terms			
Differences Between Expected and Actual Experiences	(740,429)	(663,488)	
Changes of Assumptions	53,528	(473,884)	(670,329)
Member Contributions	3,267	3,816	4,327
Gross Benefit Payments	(110,205)	(110,422)	(117,521)
Net Change in Total OPEB Liability	<u>(539,443)</u>	<u>(944,323)</u>	<u>(396,520)</u>
Total OPEB Liability - Beginning	4,129,525	5,073,848	5,470,368
Total OPEB Liability - Ending	<u>\$ 3,590,082</u>	<u>\$ 4,129,525</u>	<u>\$ 5,073,848</u>
Covered-Employee Payroll	\$ 607,005	\$ 622,049	\$ 651,230
Total OPEB Liability as a Percentage of Covered-Employee Payroll	591.44%	663.86%	779.12%

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience. The decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions. The decrease in the liability from June 30, 2018 to June 30, 2019 is due to the combined effect of the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	NCLB			IDEA		REAP	Preschool Education	NESA High Pref Grant	Totals	
	Title I	Title II Part A	NCLB Title IV	Part B Basic	Part B Pre-School				2020	2019
REVENUES:										
Local Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources	37,223	2,549	3,368	18,415	563	7,583		1,739	71,440	100,569
State Sources							104,348		104,348	84,541
Total Revenues	37,223	2,549	3,368	18,415	563	7,583	104,348	1,739	175,788	187,508
EXPENDITURES:										
Instruction:										
Salaries of Teachers	26,000								26,000	32,000
Tuition				415					415	
General Supplies	2,123					7,583	2,348	1,739	13,793	72,864
Other Purchased Serv.										514
Total Instruction	28,123			415		7,583	2,348	1,739	40,208	105,378
Support Services:										
Salaries of other Professional Staff										10,000
Salaries of other Secretarial/Clerical Staff							10,000		10,000	5,000
Salaries - Other							10,000		10,000	5,000
Salaries - Master Teacher							50,000		50,000	
Personal Services - Employee Benefits	9,100						32,000		41,100	17,920
Purchased Professional Educational Services		202	850	18,000	563				19,615	23,056
Contracted Services - Transportation										19,597
Travel										557
Purchased Professional Services		2,347							2,347	
Other Purchased Services			2,518						2,518	1,000
Total Support Services	9,100	2,549	3,368	18,000	563		102,000		135,580	82,130
Facilities Acquisition/Construction:										
Instructional Equipment										
Total Facilities Acquisition/Construction										
Total Expenditures	\$ 37,223	\$ 2,549	\$ 3,368	\$ 18,415	\$ 563	\$ 7,583	\$ 104,348	\$ 1,739	\$ 175,788	\$ 187,508

GREENWICH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Supplies	\$ 33,038	\$ 2,348	\$ 30,690
Total Instruction	<u>33,038</u>	<u>2,348</u>	<u>30,690</u>
Support Services:			
Salaries - Secretarial/Clerical	10,000	10,000	
Salaries - Other	10,000	10,000	
Salaries - Master Teacher	50,000	50,000	
Personal Services - Employee Benefits	32,000	32,000	
Cleaning, Repair, & Maintenance	20,194		20,194
Contacted Trans Services - Home & School	15,000		15,000
Contracted Services - Field Trips	3,000		3,000
Travel	1,000		1,000
Supplies	2,000		2,000
Total Support Services	<u>143,194</u>	<u>102,000</u>	<u>41,194</u>
Facilities Acquisition and Const. Services:			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services:			
Total Expenditures	<u>\$ 176,232</u>	<u>\$ 104,348</u>	<u>\$ 71,884</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2019-20 Preschool Education Aid Allocation	\$ 176,232	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2019)	2,056	(2)
Prior Year Order Adjustment	19,598	
Add: Budgeted Transfer from the General Fund 2019-20		(3)
Total Preschool Education Aid Funds Available for 2019-20 Budget	<u>197,886</u>	(4)
Less: 2018-19 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(176,232)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	21,654	(6)
Add: June 30, 2020 Unexpended Preschool Education Aid	71,884	(7)
Less: 2019-20 Commissioner-approved Transfer to the General Fund		(8)
2019-20 Carryover - Preschool Education Aid/Preschool Programs	<u>\$ 93,538</u>	(9)
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2020-21	<u>\$ 2,056</u>	(10)

Note: Since the 2019-20 Actual Carryover is more than the amount budgeted in 2020-21,
the District should consider revising its 2020-21 Preschool Education Program Budget. \$ 91,482

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

GREENWICH TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINED SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020 AND 2019

	Food Service Fund	Total	
		2020	2019
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 22,228	\$ 22,228	\$ 4,347
Accounts Receivable:			
State	137	137	31
Federal			1,284
Other	51	51	17,506
Interfund	43,393	43,393	42,078
Total Current Assets	<u>65,809</u>	<u>65,809</u>	<u>65,246</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	24,422	24,422	12,496
Prepaid Lunches	1,015	1,015	320
Total Current Liabilities	<u>25,437</u>	<u>25,437</u>	<u>12,816</u>
NET POSITION:			
Unrestricted	40,372	40,372	52,430
Total Net Position	<u>\$ 40,372</u>	<u>\$ 40,372</u>	<u>\$ 52,430</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	Food Service Fund	Total	
		2020	2019
OPERATING REVENUES:			
Local Sources:			
Food Sales Reimbursable Programs	\$ 9,324	\$ 9,324	\$ 14,079
Food Sales Non-Reimbursable Programs	497	497	751
Total Operating Revenue	9,821	9,821	14,830
OPERATING EXPENSES:			
Salaries and Employee Benefits	14,856	14,856	4,061
Supplies and Materials	1,199	1,199	1,688
Cost of Sales - Reimbursable	29,026	29,026	32,042
Cost of Sales - Nonreimbursable	420	420	
Total Operating Expenses	45,501	45,501	37,791
Operating Income/(Loss)	(35,680)	(35,680)	(22,961)
NON-OPERATING REVENUES:			
State Sources:			
State School Lunch Program	508	508	463
Federal Sources:			
National School Lunch Program	15,662	15,662	15,877
School Breakfast Program	5,951	5,951	4,899
Food Distribution Program	1,377	1,377	1,411
Interest	124	124	80
Total Non-Operating Revenues	23,622	23,622	22,730
Change in Net Assets Before Operating Transfers In/(out)	(12,058)	(12,058)	(231)
Operating Transfer In - General Fund			21,556
Net (Loss)/Income	(12,058)	(12,058)	21,325
Net Position - July 1	52,430	52,430	34,171
Prior Year Adjustment			(3,066)
Net Position - June 30	\$ 40,372	\$ 40,372	\$ 52,430

GREENWICH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2020

	Food Service Fund	Total	
		2020	2019
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 9,821	\$ 9,821	\$ 15,024
Payments to Employees	(13,479)	(13,479)	
Payments to Suppliers	(706)	(706)	(32,315)
	(4,364)	(4,364)	(17,291)
Net Cash Provided by (Used for) Operating Activities			
Cash Flows from Non-capital Financing Activities			
State Sources	508	508	
Federal Sources	21,613	21,613	
Interfund Transfer			
	22,121	22,121	
Net Cash Provided by (Used for) Non-capital Financing Activities			
Cash Flows from Capital Financing Activities			
Net Cash Provided by (Used for) Capital Financing			
Cash Flows from Investing Activities			
Interest and Dividends	124	124	80
	124	124	80
Net Cash Provided by (Used for) Investing Activities			
Net Increase/(Decrease) in Cash and Cash Equivalents	17,881	17,881	(17,211)
Balances - Beginning of Year - July 1	4,347	4,347	21,558
Balances - End of Year - June 30	\$ 22,228	\$ 22,228	\$ 4,347
Operating Income/(Loss)	\$ (35,680)	\$ (35,680)	\$ (22,961)
Adjustments to Reconcile Operating Income/(Loss) to Cash Used by Operating Activities:			
Federal Commodities	1,377	1,377	1,412
Change in Assets and Liabilities:			
Decrease/(Increase) in Accounts Receivable	18,633	18,633	4,127
Decrease/(Increase) in Interfund Receivable	(1,315)	(1,315)	
Increase/(Decrease) in Accounts Payable	11,926	11,926	4
Increase/(Decrease) in Prepaid Lunches	695	695	127
	31,316	31,316	5,670
Total Adjustments			
Net Cash Used by Operating Activities	\$ (4,364)	\$ (4,364)	\$ (17,291)

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

GREENWICH TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	<u>Trust Funds</u>		<u>Agency Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>	
				<u>2020</u>	<u>2019</u>
ASSETS:					
Cash and Cash Equivalents	\$ 37,381	\$ 10,459	\$ 95,966	\$ 143,806	\$ 114,515
Due from Agency	5,816			5,816	5,816
Total Assets	\$ 43,197	\$ 10,459	\$ 95,966	\$ 149,622	\$ 120,331
LIABILITIES AND NET POSITION:					
Liabilities:					
Due to Student Groups	\$	\$ 10,459	\$	\$ 10,459	\$ 13,085
Payroll Deductions and Withholdings	151		21,038	21,189	1,469
Due to Unemployment			5,816	5,816	5,816
Due to General Fund			69,112	69,112	58,312
Total Liabilities	151	10,459	95,966	106,576	78,682
NET POSITION:					
Held in Trust for Unemployment Claims and Other Purposes	\$ 43,046	\$	\$	\$ 43,046	\$ 41,649

GREENWICH TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Plan Members	\$ 1,196
Total Contributions	
Investments and Earnings:	
Interest	201
Total Additions	1,397
DEDUCTIONS:	
Unemployment Claims	
Total Deductions	
Change in Net Position	1,397
Net Position - July 1	41,649
Net Position - June 30	\$ 43,046

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1,</u> <u>2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30,</u> <u>2020</u>
ELEMENTARY SCHOOL	\$ 13,085	\$ 366	\$ 2,992	\$ 10,459

GREENWICH TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 65,446	\$ 769,583	\$ 739,063	\$ 95,966
	<u>\$ 65,446</u>	<u>\$ 769,583</u>	<u>\$ 739,063</u>	<u>\$ 95,966</u>
LIABILITIES:				
Net Payroll	\$	\$ 396,726	\$ 396,726	\$
Payroll Deductions and Withholdings	1,318	362,057	342,337	21,038
Due to Unemployment	5,816			5,816
Due to General Fund	58,312	10,800		69,112
	<u>\$ 65,446</u>	<u>\$ 769,583</u>	<u>\$ 739,063</u>	<u>\$ 95,966</u>
Total Liabilities	<u>\$ 65,446</u>	<u>\$ 769,583</u>	<u>\$ 739,063</u>	<u>\$ 95,966</u>

STATISTICAL SECTION

GREENWICH TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 45,409	\$ 55,688	\$ 71,896	\$ 60,799	\$ 49,702	\$ 38,605	\$ 29,028	\$ 23,454	\$ 157,672	\$ 150,491
Restricted	54,623	50,285	178,156	80,982	67,908	67,908	172,600	130,653	30,156	200,018
Unrestricted (Deficit)	233,135	276,466	227,311	215,027	83,796	88,553	(59,289)	(71,623)	(150,873)	(111,342)
Total Governmental Activities Net Position	\$ 333,167	\$ 382,439	\$ 477,363	\$ 356,808	\$ 201,406	\$ 195,066	\$ 142,339	\$ 82,484	\$ 36,955	\$ 239,167
Business-Type Activities										
Unrestricted (Deficit)	\$ 6,483	\$ 11,202	\$ 18,615	\$ 16,328	\$ (27,647)	\$ (20,950)	\$ 26,982	\$ 34,171	\$ 52,430	\$ 40,372
Total Business-Type Activities Net Position	\$ 6,483	\$ 11,202	\$ 18,615	\$ 16,328	\$ (27,647)	\$ (20,950)	\$ 26,982	\$ 34,171	\$ 52,430	\$ 40,372
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 45,409	\$ 55,688	\$ 71,896	\$ 60,799	\$ 49,702	\$ 38,605	\$ 29,028	\$ 23,454	\$ 157,672	\$ 150,491
Restricted	54,623	50,285	178,156	80,982	67,908	67,908	172,600	130,653	30,156	200,018
Unrestricted (Deficit)	239,618	287,668	245,926	231,355	56,149	67,603	(32,307)	(37,452)	(98,443)	(70,970)
Total District-Wide Net Position	\$ 339,650	\$ 393,641	\$ 495,978	\$ 373,136	\$ 173,759	\$ 174,116	\$ 169,321	\$ 116,655	\$ 89,385	\$ 279,539

Source: CAFR Schedule A-1

GREENWICH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	363,910	415,319	418,264	423,455	438,265	452,978	399,775	445,496	475,195	523,216
Special Education	122,716	82,762	73,632	95,414	114,878	101,802	119,146	104,565	178,420	40,079
Other Special Education	44,674	17,878	19,822	18,177	18,367	12,637	44,717	49,468	11,884	
Other Instruction	465		1,274	2,679	4,341	2,350	2,050	2,750	2,756	18,988
Support Services										
Tuition	3,952	17,385	5,105	19,256	39,252	64,610	15,980	51,767	18,873	6,889
Student and Instruction Related Services	161,999	169,286	180,573	190,580	206,050	182,313	189,989	233,184	249,103	243,370
School Administrative Services	7,651	6,312	7,989	7,482	8,022	6,357	5,592	7,729	6,235	2,348
General Administrative Services	74,311	73,087	87,761	108,323	93,727	108,445	100,395	116,380	116,550	73,369
Plant Operations and Maintenance	212,511	241,329	168,009	320,985	193,503	122,180	139,008	155,801	136,200	160,966
Pupil Transportation	38,385	38,391	39,469	40,343	39,858	42,018	43,656	41,740	39,717	38,994
Employee Benefits	234,336	239,964	268,765	240,025	379,138	487,127	687,931	854,378	688,768	532,460
Unallocated depreciation	111	64	88	136	136	136	136	136	136	
Interest on Debt									18,999	
Total Governmental Activities Expenses	1,265,021	1,301,777	1,270,751	1,466,855	1,535,537	1,582,953	1,748,375	2,063,394	1,942,836	1,640,679
Business-Type Activities										
Food Service	53,683	55,103	53,768	61,329	57,720	56,300	61,695	77,729	37,791	45,501
Total Business-Type Activities Expense	53,683	55,103	53,768	61,329	57,720	56,300	61,695	77,729	37,791	45,501
Total District Expenses	1,318,704	1,356,880	1,324,519	1,528,184	1,593,257	1,639,253	1,810,070	2,141,123	1,980,627	1,686,180
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	75,791	89,829	108,331	91,662	228,696	265,184	381,262	503,651	367,462	377,560
Total Governmental Activities Program Revenues	75,791	89,829	108,331	91,662	228,696	265,184	381,262	503,651	367,462	377,560
Business-Type Activities										
Charges for Services										
Food Service	12,175	15,473	15,458	15,083	15,259	15,223	13,972	33,285	14,830	9,821
Operating Grants and Contributions	19,259	21,969	24,789	24,111	23,728	26,982	28,398	20,306	22,650	23,498
Total Business-Type Activities Program Revenues	31,434	37,442	40,247	39,194	38,987	42,205	42,370	53,591	37,480	33,319
Total District Program Revenues	107,225	127,271	148,578	130,856	267,683	307,389	423,632	557,242	404,942	410,879
Net (Expense)/Revenue										
Governmental Activities										
Governmental Activities	(1,189,230)	(1,211,948)	(1,162,420)	(1,375,193)	(1,306,841)	(1,317,769)	(1,367,113)	(1,559,743)	(1,575,374)	(1,263,119)
Business-Type Activities										
Business-Type Activities	(22,249)	(17,661)	(13,521)	(22,135)	(18,733)	(14,095)	(19,325)	(24,138)	(311)	(12,182)
Total District-Wide Net Expense	(1,211,479)	(1,229,609)	(1,175,941)	(1,397,328)	(1,325,574)	(1,331,864)	(1,386,438)	(1,583,881)	(1,575,665)	(1,275,301)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	818,170	787,268	786,740	786,471	781,791	817,197	891,816	917,371	941,583	978,360
Grants, Tuition and Contributions	466,556	485,743	477,857	481,894	492,239	504,750	469,523	515,359	575,730	404,806
Tuition Received	6,371	3,200	7,680	3,200	960	1,280	160	160		
Investment Earnings	717	826	544	13	947	1,581	1,760	3,377	2,107	2,763
Miscellaneous Income	6,199	6,563	5,457	2,908	36,818	7,344	18,476	39,130	31,981	79,402
Transfers	(23,868)	(22,380)	(20,934)	(19,848)	(20,308)	(20,723)	(67,189)	(18,212)	(21,556)	
Total Governmental Activities	1,274,145	1,261,220	1,257,344	1,254,638	1,292,447	1,311,429	1,314,386	1,457,185	1,529,845	1,465,331
Business-Type Activities										
Investment and Miscellaneous Earnings					34	69	68	102	80	124
Transfers	23,868	22,380	20,934	19,848	20,308	20,723	67,189	18,212	21,556	
Total Business-Type Activities	23,868	22,380	20,934	19,848	20,342	20,792	67,257	18,314	21,636	124
Total District-Wide	1,298,013	1,283,600	1,278,278	1,274,486	1,312,789	1,332,221	1,381,643	1,475,499	1,551,481	1,465,455
Change in Net Position										
Governmental Activities										
Governmental Activities	84,915	49,272	94,924	(120,555)	(14,394)	(6,340)	(52,727)	(59,855)	(45,529)	202,212
Business-Type Activities										
Business-Type Activities	1,619	4,719	7,413	(2,287)	1,609	6,697	47,932	7,189	21,325	(12,058)
Prior Year Adjustment										
Prior Year Adjustment									(3,066)	
Total District-Wide	86,534	53,991	102,337	(122,842)	(12,785)	357	(4,795)	(52,666)	(27,270)	190,154

Source: CAFR Schedule A-2

GREENWICH TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	#	2020
General Fund											
Reserved	\$ 110,217	\$ 158,185	\$ 232,042	\$ 138,175	\$ 108,473	\$ 137,104	\$ 172,600	\$ 130,653	\$ 30,156	\$	200,018
Unreserved	211,074	205,407	208,794	181,004	207,360	193,949	206,464	214,592	142,420		210,354
Total General Fund	<u>\$ 321,291</u>	<u>\$ 363,592</u>	<u>\$ 440,836</u>	<u>\$ 319,179</u>	<u>\$ 315,833</u>	<u>\$ 331,053</u>	<u>\$ 379,064</u>	<u>\$ 345,245</u>	<u>\$ 172,576</u>		<u>\$ 410,372</u>
All Other Governmental Funds											
Unreserved, reported in:											
Special Revenue fund	\$ (1,548)								\$ (8,658)		\$ (17,623)
Capital projects funds	2,406										
Total All Other Governmental Funds	<u>\$ 858</u>								<u>\$ (8,658)</u>		<u>\$ (17,623)</u>

Source: CAFR Schedule B-1

GREENWICH TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 818,170	\$ 787,268	\$ 786,740	\$ 786,471	\$ 781,791	\$ 817,197	\$ 891,816	\$ 917,371	\$ 941,583	\$ 978,360
Tuition Charges	6,371	3,200	7,680	3,200	960	1,280		160		
Interest Earnings	717	826	544	13	947	1,581	1,760	3,377	2,107	2,763
Miscellaneous	6,199	6,563	5,457	2,908	36,818	7,344	18,476	39,130	31,982	79,402
State Sources	482,219	512,578	530,867	517,749	531,614	558,179	567,179	594,035	677,652	700,718
Federal Sources	60,128	62,994	55,321	55,807	63,447	70,963	46,428	86,553	100,881	71,440
Total Revenues	1,373,804	1,373,429	1,386,609	1,366,148	1,415,577	1,456,544	1,525,659	1,640,626	1,754,205	1,832,683
Expenditures										
Instruction										
Regular Instruction	362,615	413,353	414,818	419,017	433,827	448,540	395,945	443,267	472,590	520,345
Special Education Instruction	122,391	82,270	72,770	94,304	113,768	100,692	118,188	104,008	177,768	39,361
Other Instruction	44,674	17,878	19,822	18,177	18,367	12,637	44,717	49,468	11,884	18,988
School sponsord/other instruction	465	-	1,274	2,679	4,341	2,350	2,050	2,750	2,756	
Support Services										
Tuition	3,952	17,385	5,105	19,256	39,252	64,610	15,980	51,767	18,873	6,889
Student and Instruction Related Services	161,999	169,286	180,573	190,580	206,050	182,313	189,989	233,184	249,103	243,370
General Administration	60,138	61,724	71,496	90,896	75,435	90,825	82,253	82,893	74,668	72,291
School Administrative Services	7,166	5,575	6,697	5,817	6,357	4,692	4,155	6,893	5,257	1,270
Central Services	13,688	10,626	14,973	15,762	16,627	15,955	16,705	32,651	40,904	24,168
Plant Operations and Maintenance	211,864	240,345	166,286	318,766	191,284	119,961	137,093	154,685	134,897	135,226
Pupil Transportation	38,385	38,391	39,469	40,343	41,459	42,018	43,656	41,740	39,717	38,994
Employee Benefits	246,141	237,514	270,237	252,224	251,712	335,872	405,679	452,791	525,689	502,814
Transfers to Charter School									18,999	
Capital Outlay	111	15,259	24,911	136	136	136	136	136	140,870	136
Total Expenditures	1,273,589	1,309,606	1,288,431	1,467,957	1,398,615	1,420,601	1,456,546	1,656,233	1,913,975	1,603,852
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	100,215	63,823	98,178	(101,809)	16,962	35,943	69,113	(15,607)	(159,770)	228,831
Other Financing Sources (Uses)										
Transfers In									97,900	
Transfers Out	(23,817)	(23,868)	(22,380)	(20,934)	(20,308)	(20,723)	(21,102)	(18,212)	(119,457)	
Total Other Financing Sources (Uses)	(23,817)	(23,868)	(22,380)	(20,934)	(20,308)	(20,723)	(21,102)	(18,212)	(21,557)	
Net Change in Fund Balances	\$ 76,398	\$ 39,955	\$ 75,798	\$ (122,743)	\$ (3,346)	\$ 15,220	\$ 48,011	\$ (33,819)	\$ (181,327)	\$ 228,831
Debt Service as a Percentage of Noncapital Expenditures	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: CAFR Schedule B-2

GREENWICH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year				
Ended	Interest on			
June 30,	Investments	Tuition	Misc.	Total
2020	\$ 2,763	\$	79,402	\$ 82,165
2019	2,107		29,584	31,691
2018	3,377	160	39,130	42,667
2017	1,760		18,476	20,236
2016	1,581	1,280	7,344	10,205
2015	947	960	36,818	38,725
2014	13	3,200	2,908	6,121
2013	544	7,680	5,457	13,681
2012	826	3,200	6,563	10,589
2011	717	6,371	6,199	13,287

Source: District Records

GREENWICH TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2020	\$ 4,371,000	\$ 52,142,400	\$ 12,838,800	\$ 3,574,100	\$ 2,298,100	\$ 75,224,400	\$ 534,223	\$ 75,758,623	1.943	\$ 72,715,708
2019	4,412,400	52,627,400	12,512,500	3,565,600	2,298,100	75,416,000	520,435	75,936,435	1.896	77,144,026
2018	4,685,000	52,942,800	12,290,500	3,556,700	2,348,300	75,823,300	499,666	76,322,966	1.844	76,627,893
2017	R 3,636,900	43,055,600	10,202,800	3,247,600	2,079,500	62,222,400	395,656	62,618,056	2.293	77,218,168
2016	3,632,200	43,201,500	10,202,800	3,241,000	2,290,600	62,568,100	371,631	62,939,731	2.186	76,144,700
2015	3,597,200	41,907,300	11,681,500	3,265,700	2,592,200	63,043,900	209,875	63,253,775	2.170	79,240,699
2014	3,574,300	41,886,400	11,674,600	3,265,700	2,592,200	62,993,200	117,569	63,110,769	1.895	113,337,891
2013						63,558,080	165,280	63,723,360	1.863	
2012						63,420,152	165,652	63,585,804	1.821	
2011						63,271,494	212,694	63,484,188	1.772	

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value)

Reassessment occurs when ordered by the County Board of Taxation

a Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

R Revaluation

GREENWICH TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Greenwich Township and Regional Boards of Education			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct School Tax Rate	Cumberland Regional School Dist	Greenwich Township	Cumberland County	Total
2020	\$ 1.337	\$ N/A	\$ 1.337	\$ 0.606	\$ 0.436	\$ 1.209	\$ 3.588
2019	1.289	N/A	1.289	0.607	0.418	1.231	3.545
2018	1.234	N/A	1.234	0.610	0.416	1.200	3.460
2017	1.466	N/A	1.466	0.827	0.507	1.443	4.243
2016	1.417	N/A	1.417	0.769	0.507	1.375	4.068
2015	1.291	N/A	1.291	0.878	0.507	1.399	4.075
2014	1.238	N/A	1.238	0.656	0.498	1.306	3.698
2013	1.238	N/A	1.238	0.625	0.484	1.238	3.585
2012	1.241	N/A	1.241	0.580	0.474	1.297	3.592
2011	1.245	N/A	1.245	0.527	0.446	1.052	3.270

Source: District Records and Municipal Tax Collector

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

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

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
PSE&G	\$ 4,414,700	5.83%	\$ 3,500,100	5.53%
Taxpayer #1	1,219,800	1.61%	894,800	1.41%
Taxpayer #2	1,082,700	1.43%	746,200	1.18%
TJK LANDHOLDINGS LLC	922,200	1.22%	798,100	1.26%
Taxpayer #3	881,800	1.16%	582,900	0.92%
Taxpayer #4	869,600	1.15%	575,600	0.91%
Taxpayer #5	710,400	0.94%	777,200	1.23%
Taxpayer #6	596,000	0.79%	497,300	0.79%
Taxpayer #7	488,500	0.64%	476,000	0.75%
Inglesia - Espaillat	471,900	0.62%		
Hancock Harbor			978,500	1.55%
Total	\$ 11,657,600	14.76%	\$ 9,826,700	15.53%

Source: District CAFR & Municipal Tax Assessor

GREENWICH TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2020	\$ 978,360	\$ 978,360	100%	\$
2019	941,583	941,583	100%	
2018	917,371	917,371	100%	-
2017	891,816	891,816	100%	
2016	817,197	817,197	100%	
2015	781,791	781,791	100%	
2014	786,471	786,471	100%	
2013	786,740	786,740	100%	
2012	787,268	787,268	100%	
2011	818,170	818,170	100%	

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

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

N/A

Fiscal Year Ended June 30,	Governmental Activities			Business-Type	Total District	Percentage of	
	General Obligation Bonds ^o	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		Personal Income ^a	Per Capita ^a
2020	\$	\$	\$	\$	\$		\$
2019							
2018							
2017							
2016							
2015							
2014							
2013							
2012							
2011							

Note: This statement is not applicable the district does not have any debt in any of the years reported herein.

GREENWICH TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

N/A

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2020	\$	\$	\$	\$	\$
2019					
2018					
2017					
2016					
2015					
2014					
2013					
2012					
2011					

Note: This statement is not applicable the district does not have any debt in any of the years reported herein.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

GREENWICH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Greenwich	\$ -	100%	\$ 0
Other debt			
County of Cumberland - Township's share	97,136,507	0.889%	863,477
Cumberland Regional School Debt	884,354	6.928%	61,265
Subtotal, Overlapping Debt			924,742
Stow Creek Township School District Direct Debt			-
Total Direct and Overlapping Debt			\$ 924,742

Sources: Stow Creek Township Finance Officer and Salem County Finance Office

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

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized Valuation Basis	
	2019	\$ 72,900,918
	2018	77,560,659
	2017	77,458,484
	[A]	\$ 227,920,061
Average Equalized Valuation of Taxable Property	[A/3]	\$ 75,973,354
Debt Limit (3% of Average Equalization Value)	[B]	2,279,201 ^a
Net Bonded School Debt	[C]	-
Legal Debt Margin	[B-C]	\$ 2,279,201

Fiscal Year,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 2,164,570	\$ 2,250,078	\$ 2,321,883	\$ 2,780,367	\$ 2,719,184	\$ 2,699,576	\$ 2,335,479	\$ 2,318,294	\$ 2,326,663	\$ 2,279,201
Total Net Debt Applicable to Limit										
Legal Debt Margin	<u>\$ 2,164,570</u>	<u>\$ 2,250,078</u>	<u>\$ 2,321,883</u>	<u>\$ 2,780,367</u>	<u>\$ 2,719,184</u>	<u>\$ 2,699,576</u>	<u>\$ 2,335,479</u>	<u>\$ 2,318,294</u>	<u>\$ 2,326,663</u>	<u>\$ 2,279,201</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	-	-	-	-	-	-	-	-	-	-

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

^a Limit set by NJSA 18A:24-19 for a K through 8 district; oth

GREENWICH TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population ⁽¹⁾	Personal Income (thousands of dollars) ⁽²⁾	Per Capita Personal Income ⁽³⁾	Unemployment Rate ⁽⁴⁾
2020 *	750	\$ 30,294,169	\$ 40,370	2.70%
2019	758	30,569,601	40,329	3.00%
2018	764	30,780,796	40,289	4.90%
2017	764	29,986,503	38,630	5.10%
2016	771	28,993,688	37,515	6.00%
2015	778	28,531,111	36,891	6.00%
2014	790	28,445,336	35,486	6.80%
2013	796	27,425,384	34,454	13.50%
2012	799	27,309,820	34,180	8.90%
2011	798	27,389,754	34,323	7.90%

* Estimate

Source:

- ¹ Population information provided by the NJ Dept of Labor and Workforce Development
- ² Personal income
- ³ Per Capita
- ⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

GREENWICH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

<u>Employer*</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees*</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,715	1.83%	N/A	N/A
Durand Glass Manufacturing Co.	1,100	1.43%	N/A	N/A
Shop-Rite	858	1.32%	N/A	N/A
Wal-Mart	794	1.22%	N/A	N/A
F&S Produce/Pipco Transportation	731	1.16%	N/A	N/A
Agro Merchants Group	700	1.08%	N/A	N/A
Sheppard Bus Service	650	1.02%	N/A	N/A
Elwyn New Jersey	615	0.89%	N/A	N/A
Omni Baking	532	0.87%	N/A	N/A
Seabrook Brothers & Sons	525	0.00%	N/A	N/A
	<u>10,220</u>	<u>10.82%</u>	<u>N/A</u>	<u>N/A</u>

*Cumberland County

Source: Cumberland County

N/A 2010 Information not available at time of audit.

GREENWICH TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Special education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other special Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Instruction										
Support Services:										
General Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Totals	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0

Source: District Personnel Records

GREENWICH TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	76	1,273,478	16,756	-13.74%	9.0	1 : 8.4	75.9	72.9	10.32%	96.05%
2012	79	1,294,347	16,384	-2.22%	9.0	1 : 8.7	78.2	73.7	3.03%	94.25%
2013	74	1,288,431	17,411	6.27%	9.0	1 : 8.2	74.0	69.9	-5.37%	94.46%
2014	65	1,467,821	22,582	29.70%	9.0	1 : 7.2	64.8	62.4	-12.43%	96.30%
2015	61	1,398,479	22,926	1.52%	9.0	1 : 6.8	55.0	52.8	-15.12%	96.00%
2016	66	1,420,601	21,524	-6.11%	9.0	1 : 7.3	61.0	58.4	10.91%	95.74%
2017	65	1,456,546	22,408	4.11%	9.0	1 : 7.2	65.0	61.8	6.56%	95.08%
2018	63	1,685,920	26,761	19.42%	9.0	1 : 9	63.0	61.0	-3.08%	96.83%
2019	62	1,773,105	28,598	6.86%	9.0	1 : 7	69.0	66.4	9.52%	96.23%
2020	65	1,603,716	24,673	-7.80%	9.0	1 : 7	85.8	83.5	36.19%	97.30%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

GREENWICH TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>District Building</u>										
<u>Elementary</u>										
Morris Goodwin Elementary										
Square Feet	18,216	18,216	18,216	18,216	18,216	18,216	18,216	18,216	18,216	18,216
Capacity (Students)	225	225	225	225	225	225	225	225	225	225
Enrollment	76	78	74	74	61	66	65	63	62	65

Number of Schools at June 30, 2020
Elementary = 1

Source: District records, ASSA

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

GREENWICH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

<u>School Facilities</u>	<u>Project #</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Greenwich Township School		\$ 26,292	\$ 44,189	\$ 24,271	\$ 14,406	\$ 15,985	\$ 53,742	\$ 176,975	\$ 37,325	\$ 10,626	\$ 92,686
Total School Facilities		<u>26,292</u>	<u>44,189</u>	<u>24,271</u>	<u>14,406</u>	<u>15,985</u>	<u>53,742</u>	<u>176,975</u>	<u>37,325</u>	<u>10,626</u>	<u>92,686</u>
Other Facilities											
Grand Total		<u>\$ 26,292</u>	<u>\$ 44,189</u>	<u>\$ 24,271</u>	<u>\$ 14,406</u>	<u>\$ 15,985</u>	<u>\$ 53,742</u>	<u>\$ 176,975</u>	<u>\$ 37,325</u>	<u>\$ 10,626</u>	<u>\$ 92,686</u>

GREENWICH TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
New Jersey School Boards Association Insurance Group	School Package Policy		
	Property - Blanket Building & Contents	\$ 5,177,996	\$ 1,000
	Blanket Extra Expense	50,000,000	1,000
	Blanket Valuable Papers & Records	10,000,000	1,000
	Demolition and Increased Cost of Construction	25,000,000	
	Limited Builders Risk	10,000,000	
	Flood Zone	75,000,000	10,000
	Earthquake	50,000,000	
	Terrorism	1,000,000	
	Electronic Data Processing	50,000	1,000
	Computer Virus	250,000	
	Comprehensive General Liability	6,000,000	
	Sexual Abuse	6,000,000	
	Personal Injury and Advertising Injury	6,000,000	
	Employee Benefits Liability	6,000,000	1,000
	Comprehensive Automobile Liability	6,000,000	
	Equipment Breakdown	100,000,000	1,000
	Site Pollution Incident Legal Liability Select	11,000,000	50,000
	Crisis Management	1,000,000	
	Brazley Beach Response Services	2,000,000	
	Demolition and Rebuild Following an Active Assailant Incident Policy - Aspen	5,000,000	
	Workers' Compensation	2,000,000	
	Commercial Crime - Selective Insurance	7,500	100
	Treasurer's Bond -	130,000	
	Board Secretary's Bond	250,000	
	School Board Errors and Omissions	1,000,000	5,000

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Greenwich Township School District
County of Cumberland, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Greenwich Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Greenwich Township Board of Education's basic financial statements, and have issued our report thereon dated December 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greenwich Township Board of Education's internal control over financial reporting (internal control) as a basis for designing 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 Greenwich Township Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greenwich Township Board of Education's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness 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 Greenwich Township Board of Education'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 financial statements. 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 one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and is described in the accompanying schedule of findings and questioned costs, labeled finding 2020-1.

Greenwich Township Board of Education's Response to Findings

Greenwich Township Board of Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Greenwich Township Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of management, the Greenwich Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
December 23, 2020

**TOWNSHIP OF GREENWICH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass-Through Grant Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2019			Budgetary	Budgetary Expenditures Direct	Total	Adjust- ment	Balance at June 30, 2020		
							Accounts Receivable	Unearned Revenue	Cash Received	Pass Through Funds		Expenditures (A)		Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
E.S.E.A.																
Title I, Part A	84.010	S010A190030	ESEA 5070-20	\$ 38,223	7/1/19	9/30/20	\$	\$	\$ 18,216	\$(37,223)	\$	\$(37,223)	\$	\$(19,007)	\$	
Title I, Part A	84.010	S010A180030	ESEA 5070-19	40,874	7/1/18	6/30/19	(24,258)		24,258							
Title II, A	84.367A	S367A190029	ESEA 5070-20	3,347	7/1/19	9/30/20			800	(2,549)		(2,549)		(1,749)		
Title II, A	84.367A	S367A180029	ESEA 5070-19	5,497	7/1/18	6/30/19	(4,626)		4,626				106	(3,368)	106	
Title IV, A	84.424	S424A190031	ESEA 5070-20	10,000	7/1/19	9/30/20				(3,368)		(3,368)				
Title IV, A	84.424	S424A180031	ESEA 5070-19	20,000	7/1/18	6/30/19	(17,149)		17,149							
ESEA Distinguished Schools Prog	84.010	S010A190030	ESEA 5070-20	15,000	7/1/19	6/30/20			15,000	(1,739)		(1,739)			13,261	
IDEA Cluster:																
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA507020	18,415	7/1/19	9/30/20			15,182	(18,415)		(18,415)		(3,233)		
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA507019	18,514	7/1/18	6/30/19	(18,514)		18,514							
I.D.E.A. Part B, Pre-School	84.173	H173A190114	IDEA507020	563	7/1/19	9/30/20			563	(563)		(563)				
I.D.E.A. Part B, Pre-School	84.173	H173A180114	IDEA507019	559	7/1/18	6/30/19	(559)		559							
REAP	84.358A	S358A194550	REAP507020	7,583	7/1/19	9/30/20				(7,583)		(7,583)		(7,583)		
CARES ACT 2020/ESSER	84.425D	S425D200027	CARES507020	30,764	3/13/20	9/30/22										
Total Special Revenue Fund									(65,106)	114,867	(71,440)	(71,440)	106	(34,940)	13,261	106
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Non-Cash Assistance:																
Food Distribution Program	10.565	Unknown	NA	1,377	7/1/19	6/30/20			1,377	(1,377)		(1,377)				
Cash Assistance:																
National School Breakfast Program	10.553	201NJ304N1099	NA	5,951	7/1/19	6/30/20			5,951	(5,951)		(5,951)				
National School Breakfast Program	10.553	191NJ304N1099	NA	4,899	7/1/18	6/30/19	(266)		266							
National School Lunch Program	10.555	191NJ304N1099	NA	15,662	7/1/19	6/30/20			15,662	(15,662)		(15,662)				
National School Lunch Program	10.555	181NJ304N1099	NA	15,877	7/1/18	6/30/19	(1,018)		1,018							
Total Enterprise Fund									(1,284)	24,274	(22,990)	(22,990)				
Total Federal Financial Awards									\$ (66,390)	\$ 139,141	\$(94,430)	\$ (94,430)	106	\$(34,940)	\$ 13,261	\$ 106

(A) There were no awards passed through to sub-recipients.

See accompanying notes to schedules of financial assistance

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF GREENWICH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2019				Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adjustment	Balances at June 30, 2020			MEMO	
					(Accounts Receivable)/ Unearned Rev	Deferred Revenue	Due to Grantor	Carry-Over					(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education																	
General Fund:																	
Equalization Aid	20-495-034-5120-078	\$189,820	7/1/19	6/30/20	\$	\$	\$	\$	170,693	(189,820)	\$	\$	(19,127)	\$	*	(19,127)	189,820
Special Education Categorical Aid	20-495-034-5120-089	37,201	7/1/19	6/30/20					33,452	(37,201)			(3,749)		*	(3,749)	37,201
Security Aid	20-495-034-5120-084	7,420	7/1/19	6/30/20					7,420	(7,420)					*		7,420
Adjustment Aid	20-495-034-5120-085	136,325	7/1/19	6/30/20					122,588	(136,325)			(13,737)		*	(13,737)	136,325
Transportation Aid	20-495-034-5120-014	30,102	7/1/19	6/30/20					27,069	(30,102)			(3,033)		*	(3,033)	30,102
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	118,542	7/1/19	6/30/20					118,542	(118,542)					*		118,542
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	43,977	7/1/19	6/30/20					43,977	(43,977)					*		43,977
On-Behalf TPAF Long-Term Disability Medical	20-495-034-5094-004	119	7/1/19	6/30/20					119	(119)					*		119
Reimbursed TPAF Social Security Contrib.	20-495-034-5094-003	38,890	7/1/19	6/30/20					30,919	(38,890)			(7,971)		*		38,890
Total General Fund									554,779	(602,396)			(47,617)			(39,646)	602,396
Special Revenue Fund:																	
Preschool Education Expansion Aid	20-495-034-5120-086	176,232	7/1/19	6/30/20					158,609	(104,348)			(17,623)	93,538	*	(17,623)	104,348
Preschool Education Expansion Aid	19-495-034-5120-086	85,597	7/1/18	6/30/19								19,598					
Total Special Revenue Fund									158,609	(104,348)		19,598	(17,623)	93,538		(17,623)	104,348
State Department of Agriculture																	
Enterprise Fund:																	
National School Lunch Program (State Share 20-100-010-3350-023)	508	7/1/19	6/30/20						371	(508)			(137)		*		508
National School Lunch Program (State Share 19-100-010-3350-023)	479	7/1/18	6/30/19		(31)				31								
Total Enterprise Fund									402	(508)			(137)			508	
Total State Financial Assistance					\$ (31)	\$ 2,056	\$	\$	\$ 713,790	\$ (707,252)	\$	\$ 19,598	\$ (65,377)	\$ 93,538	\$	\$ (57,269)	\$ 707,252
Less: On-Behalf TPAF Pension System Contributions																	
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	118,542	7/1/19	6/30/20					\$ 118,542	\$ (118,542)							
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	43,977	7/1/19	6/30/20					43,977	(43,977)							
On-Behalf TPAF Long-Term Disability Medical	20-495-034-5094-004	119	7/1/19	6/30/20					119	(119)							
Total State Financial Assistance - Major Program Determination									\$ 551,152	\$ (544,614)							

See accompanying notes to schedules of financial assistance

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the 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 one or more state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,939 for the general fund and (\$19,067) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

GREENWICH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2020
(Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 605,335	\$ 605,335
Special Revenue Fund	71,440	95,383	166,823
Food Service Fund	22,990	508	23,498
Total Financial Assistance	\$ <u>94,430</u>	\$ <u>701,226</u>	\$ <u>795,656</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Greenwich School District had no federal or state loan balances outstanding at June 30, 2020.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

NOTE 7: SUBRECEIPTS

The District had no expenditures to subrecipients during the year ended June 30, 2020.

NOTE 8: INDIRECT COSTS

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

NOTE 9: ADJUSTMENTS

There was one adjustment of \$106 noted on Schedule A, Exhibit K-3, Schedule of Federal Awards.

There was one prior year order adjustment of \$19,598 noted on Schedule K-4, Schedule of State Financial Assistance.

GREENWICH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified? _____ yes X no

Noncompliance material to basic financial statements noted? X yes _____ no

Federal Awards N/A

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ no

2) Significant deficiencies identified? _____ Yes _____ none reported

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section .516(a)? _____ yes _____ no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
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N/A

Dollar threshold used to distinguish between type A and type B programs: N/A

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

**GREENWICH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: 2020-1 (AMR Finding 2020-1)

Criteria or specific requirement: The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition: Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context: Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$26,722, as of June 30, 2020.

Effect: Violation of New Jersey Department of Agriculture requirements.

Cause: Actual expenditures were less than anticipated.

Recommendation: The Board should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

Management's response: Management is aware of the necessary procedures to be updated and followed.

**GREENWICH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS **N/A**

Finding:

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

**GREENWICH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs
(continued)**

STATE AWARDS N/A

Finding :

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**GREENWICH TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

Finding: 2019-1

Condition: Four line accounts were over expended at June 30th.

Current Status: Resolved