

Comprehensive Annual Financial Report

of the

Township of Middle Board of Education

Cape May County, New Jersey

For the Fiscal Year Ended June 30, 2020

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION:	
Independent Auditor's Report	9-11
Required Supplementary Information - Part I Management Discussion and Analysis	12-21
Basic Financial Statements	
A District-Wide Financial Statements	
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	25
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	30
B-8 Statement of Changes in Fiduciary Net Position	31
Notes to the Financial Statements	32-61

TABLE OF CONTENTS

	Page
Required Supplementary Information - Part II	
C Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	62-70
C-2 Budgetary Comparison Schedule - Special Revenue Fund	71-72
Notes to Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	73
Required Supplementary Information - Part III	
L-1 Schedule of District's Proportionate Share of Net Pension Liability (PERS)	74
L-2 Schedule of District Contributions (PERS)	75
L-3 Schedule of District's Proportionate Share of Net Pension Liability (TPAF)	76
M-1 Schedule of District's Proportionate Share of Net OPEB Liability (PERS) and (TPAF)	77
Other Supplementary Information	
E Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Special Revenue Fund - Budgetary Basis	78-82
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	83
F Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	84
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	85
F-2(a-e) Schedule of Project Revenues, Expenditures , Project Balance and Project Status - Budgetary Basis	86-91
G Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

TABLE OF CONTENTS

	Page
H Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	92
H-2 Combining Statement of Changes in Fiduciary Net Position	93
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	94
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	95
I Long-Term Debt:	
I-1 Schedule of Serial Bonds	96
I-2 Schedule of Obligations under Capital Leases	97
I-3 Debt Service Fund Budgetary Comparison Schedule	98
J Statistical Section (Unaudited)	
Financial Trends	
J-1 Net Position by Component	99
J-2 Changes in Net Position	100-101
J-3 Fund Balances - Governmental Funds	102
J-4 Changes in Fund Balances - Governmental Funds	103
J-5 General Fund Other Local Revenue by Source	104
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	105
J-7 Direct and Overlapping Property Tax Rates	106
J-8 Principal Property Taxpayers	107
J-9 Property Tax Levies and Collections	108
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	109
J-11 Ratios of General Bonded Debt Outstanding	110
J-12 Direct and Overlapping Governmental Activities Debt	111
J-13 Legal Debt Margin	112
Demographic and Economic Data	
J-14 Demographic and Economic Statistics	113
J-15 Principal Employers	114
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	115
J-17 Operating Statistics	116
J-18 School Building Information	117
J-19 Schedule of Required Maintenance Expenditures by School Facility	118
J-20 Insurance Schedule	119

TABLE OF CONTENTS

	Page
SINGLE AUDIT SECTION:	
K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	120-121
K-2 Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance required by <i>Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)</i> , and New Jersey OMB's Circular 15-08	122-124
K-3 Schedule of Expenditures of Federal Awards, Schedule A	125
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	126
K-5 Notes to the Schedules of Awards and Financial Assistance	127-128
K-6 Schedule of Findings and Questioned Costs	129-131
K-7 Summary Schedule of Prior Audit Findings	131

Introductory Section



Middle Township Public Schools

ADMINISTRATION BUILDING

216 South Main Street

Cape May Court House, New Jersey 08210-2499

PHONE: (609)465-1800 ext. 3100

FAX (609)463-1979

Dr. David Salvo, *Superintendent of Schools*

January 18, 2021

Honorable President and
Members of the Board of Education
Middle Township Public Schools
216 South Main Street
Cape May Court House, NJ 08210

Dear Board Members:

The Comprehensive Annual Financial Report of the Middle 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. 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 necessary to enable the reader to gain an understanding of the District's financial activities to the best of my knowledge 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 the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Middle Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by the National Council on Governmental Accounting (NCGA) Statement No. 3. All funds of the District are included in this report. The Middle Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, special education, gifted and talented, and basic skills programs. The District completed the 2019-20 fiscal year with an enrollment of 2529 students.

The following details the changes in the student enrollment over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	2,529	-2.43%
2018-2019	2,469	-0.86%
2017-2018	2,448	2.78%
2016-2017	2,518	-1.37%
2015-2016	2,484	-0.61%

2. ECONOMIC CONDITION AND OUTLOOK:

Middle Township (along with the State) is experiencing minimal economic growth due to national economic conditions, which is not expected to change significantly in the future. The ratable base for the past ten years is as follows:

<u>Net Valuation Taxable</u>			
<u>Fiscal Year</u>	<u>Amount</u>	<u>Change</u>	<u>Percent Change</u>
2020	2,765,781,146	20,263,520	0.74%
2019	2,760,445,921	20,469,798	0.75%
2018	2,745,517,626	5,541,503	0.20%
2017	2,739,976,123	12,860,018	0.47%
2016	2,727,116,105	6,816,205	0.25%
2015	2,720,299,900	(5,341,839)	-0.20%
2014	2,725,641,739	18,142,242	0.67%
2013	2,707,499,497	19,228,241	0.72%
2012	2,688,271,256	(329,929,792)	-10.93%
2011	3,018,201,048	(141,582,010)	-4.48%

Several new ratables are either under construction or in the planning phase. Growth in the home construction market has slowed. The Township recently underwent a revaluation of all real property which accounts for the large change between 2012 and 2013.

3. MAJOR INITIATIVES:

During the 2019-2020 school year, the Middle Township School District focused on the attainment of specific objectives:

District

The March 8, 2018 referendum projects progressed during the 2019-2020 school year. Elementary #1 construction and renovation projects at 99% complete at the end of the year. The district continues to work through the HVAC issues that have arisen during this project that includes the new boilers, heat in the new gymnasium and air conditioning in the new wing. The parking lot and remediation were completed in August of 2019. Final closeout of the project is anticipated by the Spring/Summer 2020.

With the expansion of the preschool program to full day in the fall of 2019, the District looked how to further increase the number of classrooms for preschool instruction. The District will expand by leasing 4 modular classrooms and renovating three existing classrooms to install the preschool bathrooms as required by the program. It is anticipated that the classrooms will be completed for opening in September 2020, and the modular spaces by October/November 2020.

With the move to complete virtual learning on March 17, 2020 due to the COVID-19 pandemic many of the initiatives the district had planned were put on hold until returning to a normal school schedule.

Middle Township Elementary #1

A major initiative during the 2019-2020 school year was transitioning from a half day preschool school program to a full day program upon award of the preschool expansion grant in early September 2019. Additional staff was hired to work this program and plans were immediately put in place for further expansion in the 2020-2021 school year.

Parental programs are a continued focus. Elementary #1 hosts several parent involvement programs such as Math, Reading, Stem, and Family Movie Nights.

Middle Township Elementary #2

A major focus was providing equitable stem based opportunities for all students. Elementary #2 hosted an after STEM program in which students got to explore various project based activities as it related to engineering and the field of science careers.

Middle Township Middle School (Elementary #4)

The middle school continues to enhance their schedule and offering electives to students to enhance their middle school experience. They continue the Sixth grade camping experience to enhance teamwork and collaboration among the students. Gifted and Talented opportunities are available in literacy and math for all grade levels. Students continue to have the opportunity to participate in Algebra and Spanish 1 in 8th grade.

Middle Township High School

We offer advanced placement courses and dual credit courses with Atlantic Cape Community College and Stockton University. We also offer pathways in an academy approach which include performing arts, computer STEM, medical and health, and business. A major initiative from the previous year came to fruition with the introduction of an early college pathway in which students can acquire their Associates degree upon graduation of high school through ACCC. The NJROTC Naval Cadet program began with the 2019-20 school year with over 25 students registering to be involved in the program.

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

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

5. BUDGETARY CONTROLS:

In addition to internal 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, 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2019.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. FINANCIAL INFORMATION AT FISCAL YEAR END:

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

8. DEBT ADMINISTRATION:

Principal payments began in July of 2018 on the General obligation bonds for \$24,645,000 that were sold in July, 2017 to fund the referendum projects approved March 8, 2016.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements," Note 2. The District has adopted a cash management plan 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 funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT:

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

11. OTHER INFORMATION:

A. Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, OMB Circular Uniform Guidance and NJ OMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

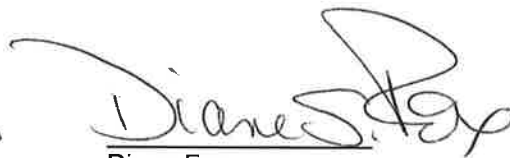
12. ACKNOWLEDGMENTS:

This report was completed through the combined efforts of the Assistant Supervisor of Accounts and other accounting staff whose efforts are very much appreciated.

Respectfully submitted,



Dr. David Salvo
Superintendent



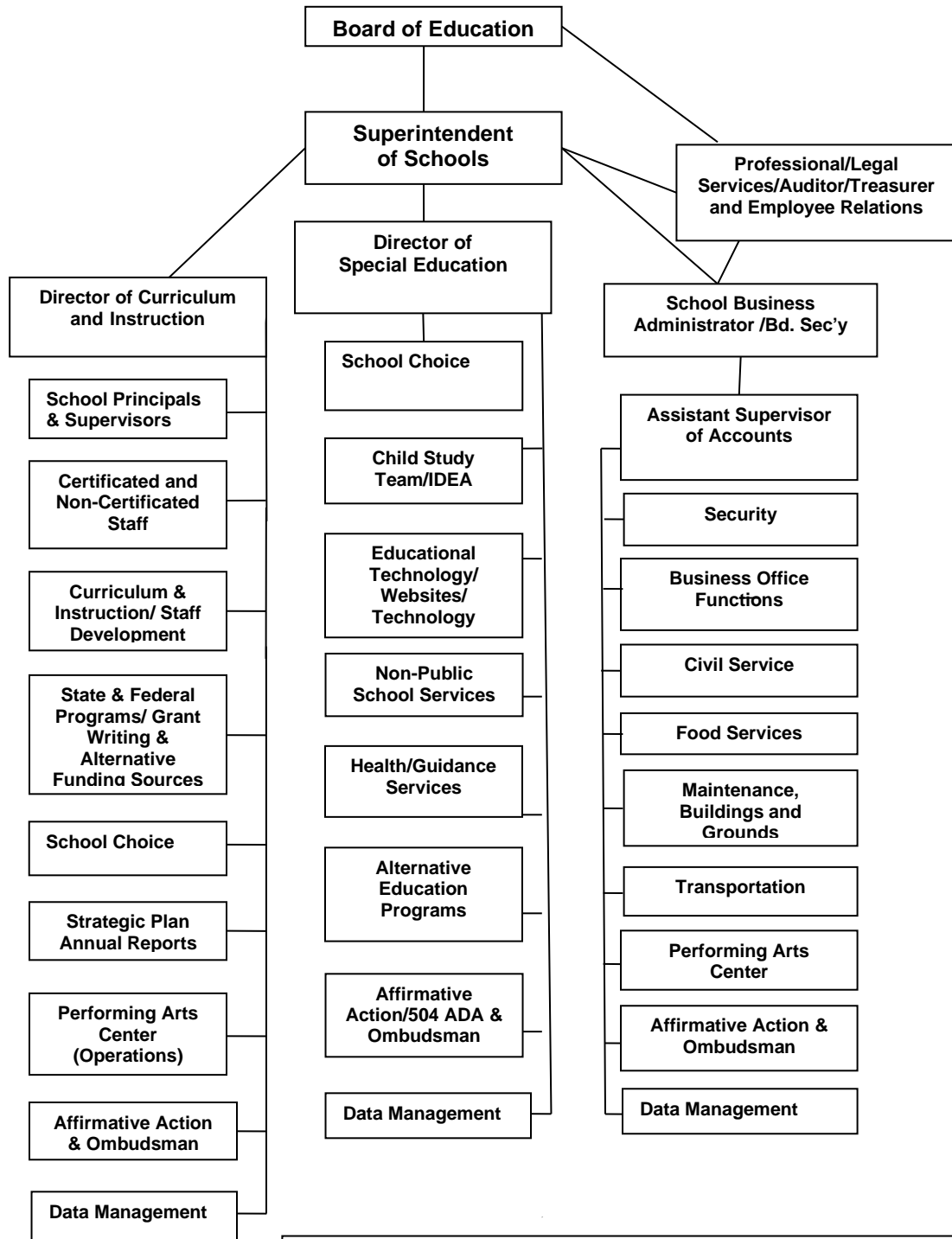
Diane Fox
Board Secretary/School Business Administrator

"An Equal Opportunity Employer"

POLICY

MIDDLE TOWNSHIP BOARD OF EDUCATION

Administration
1110 Organizational Chart
Page 1 of 1



Adopted October 15, 2015
Amended May 20, 1999
Amended July 21, 2005
Amended January 17, 2008
Amended June 18, 2009

In the absence of the Superintendent, the SBA is responsible for district operations.

In the absence of the Superintendent and the SBA, the Director of Special Education is responsible for district operations.

In the absence of the Superintendent, the SBA, and the Director of Special Education, the Director of Curriculum and Instruction is responsible for district operations.

**TOWNSHIP OF MIDDLE
BOARD OF EDUCATION**

COUNTY OF CAPE MAY, NEW JERSEY

**ROSTER OF OFFICIALS
JUNE 30, 2020**

Members of the Board of Education

Term Expires

Dennis M. Roberts, President	2020
George DeLollis, Vice-President	Through 12/31/19
Stephanie Thomas, Vice-President	Beginning 1/4/20, 2021
Calvin Back	2022
Edward Dagney	1/4/20 to 2022
Burgess Hamer	2022
Gloria Hodges	2020
Kimberly Krauss	2021
David Todd McCarty	2021
James Norris	Through 12/31/19
George DeLollis	Reappointed 1/16/20 to 12/31/20
Jennifer Hand, Dennis Township Board Member Representative	1/4/19 to Present

SUPERINTENDENT

Dr. David Salvo

BUSINESS ADMINISTRATOR / BOARD SECRETARY

Diane S. Fox

**TOWNSHIP OF MIDDLE
BOARD OF EDUCATION**

COUNTY OF CAPE MAY, NEW JERSEY

**CONSULTANTS AND ADVISORS
JUNE 30, 2020**

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, New Jersey 08226-0538

ATTORNEY

Cooper Levenson
1125 Atlantic Avenue
Atlantic City, New Jersey 08401

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
90 Woodbrige Center Drive, Suite 900
Woodbridge, NJ 07095

OFFICIAL DEPOSITORIES

Sturdy Savings Bank
17 South Main Street
Cape May Court House, New Jersey 08210

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
Township of Middle School District
County of Cape May
Cape May Court House, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Middle School District, County of Cape May, 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 District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Middle School District, County of Cape May, State of New Jersey, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Middle School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, and statistical information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB Circular 15-08, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2021 on our consideration of the Township of Middle School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Middle School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

January 18, 2021

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REQUIRED SUPPLEMENTARY INFORMATION – PART I

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED**

The discussion and analysis of Township of Middle School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, net position increased \$21,079.77, which represents a 0.25 percent increase from 2019.
- General revenues accounted for \$38,348,211.78 in revenue or 67 percent of all revenues. Program specific revenues in the form of charges for services and operating and capital grants and contributions accounted for \$19,076,597.34 or 33 percent of total revenues of \$57,424,809.12.
- Total assets and deferred outflows of resources of governmental activities decreased by \$2,071,898.64 as cash, cash equivalents and investments decreased by \$2,082,731.77, receivables decreased by \$168,361.80, deferred outflows of resources decreased by \$834,288.00 and capital assets increased by \$1,005,927.36.
- The School District had \$57,403,729.35 in expenses; only \$19,076,597.34 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$38,348,211.78 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$50,237,115.75 in revenues and other financing sources and \$50,047,000.50 in expenditures and other uses. The General Fund's fund balance increased \$190,115.25 over 2019.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2020?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School district have improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Performing Arts Center enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

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**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

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

Table 1 provides a summary of the School District's Net Position for 2020 and 2019.

**Table 1
Net Position**

	<u>2020</u>	<u>2019</u>
Assets		
Current and Other Assets	\$ 5,839,056.13	8,082,594.13
Capital Assets	<u>40,956,678.40</u>	<u>39,950,751.04</u>
Total Assets	<u>46,795,734.53</u>	<u>48,033,345.17</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>1,011,006.00</u>	<u>1,845,294.00</u>
Total Deferred Outflows of Resources	<u>1,011,006.00</u>	<u>1,845,294.00</u>
Liabilities		
Long-Term Liabilities	33,927,901.01	36,165,100.69
Other Liabilities	<u>1,254,176.56</u>	<u>1,204,531.29</u>
Total Liabilities	<u>35,182,077.57</u>	<u>37,369,631.98</u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	<u>4,223,380.00</u>	<u>4,128,804.00</u>
Net Position		
Net Investment in Capital Assets	16,636,828.27	14,760,869.47
Restricted	5,261,857.73	7,399,357.07
Unrestricted	<u>(13,497,403.04)</u>	<u>(13,780,023.35)</u>
Total Net Position	<u>\$ 8,401,282.96</u>	<u>8,380,203.19</u>

The District's combined net position was \$8,401,282.96 on June 30, 2020. This was an increase of 0.25 percent from the prior year.

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Table 2 shows changes in Net Position for fiscal year 2020.

**Table 2
Changes in Net Position**

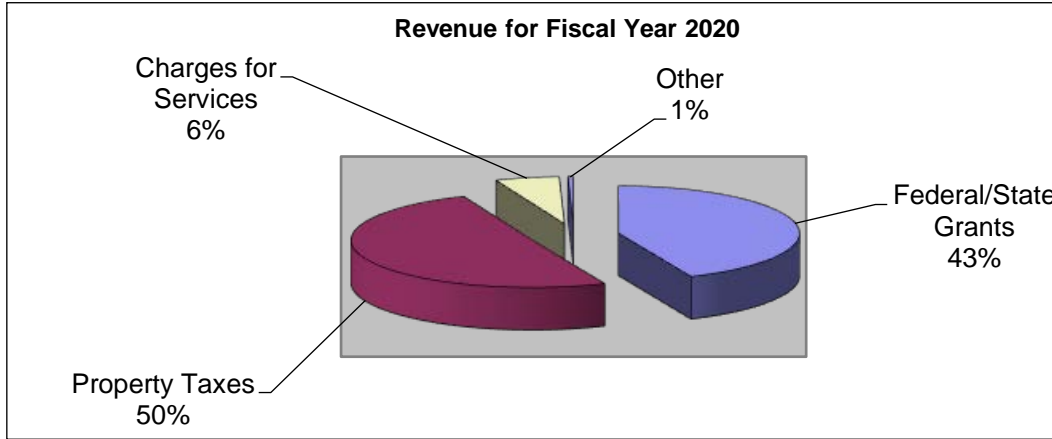
	2020	2019
Revenues		
Program Revenues:		
Charges for Services	\$ 3,605,695.57	3,520,857.40
Operating and Capital Grants and Contributions	15,470,901.77	17,640,331.57
General Revenues:		
Property Taxes	28,364,647.99	27,859,301.04
Grants and Entitlements	9,711,854.50	10,239,262.80
Other	271,709.29	502,022.48
Special Items	-	14,254.08
Total Revenues	57,424,809.12	59,776,029.37
Program Expenses		
Instruction	27,604,194.99	29,371,023.04
Support Services:		
Tuition	5,262,569.40	4,959,568.01
Student and Instruction Related Services	7,639,046.03	8,820,832.35
General Administration, School Administration, Business Operations and Maintenance of Facilities	10,153,192.64	11,763,265.40
Pupil Transportation	4,853,436.68	5,642,116.31
Interest on Debt	692,631.26	719,631.26
Food Service	828,114.68	882,486.87
Performing Arts Center	284,274.39	302,723.73
Other	27,212.00	24,093.00
Special Items	59,057.28	37,206.63
Total Expenses	57,403,729.35	62,522,946.60
Increase (Decrease) in Net Position	\$ 21,079.77	(2,746,917.23)

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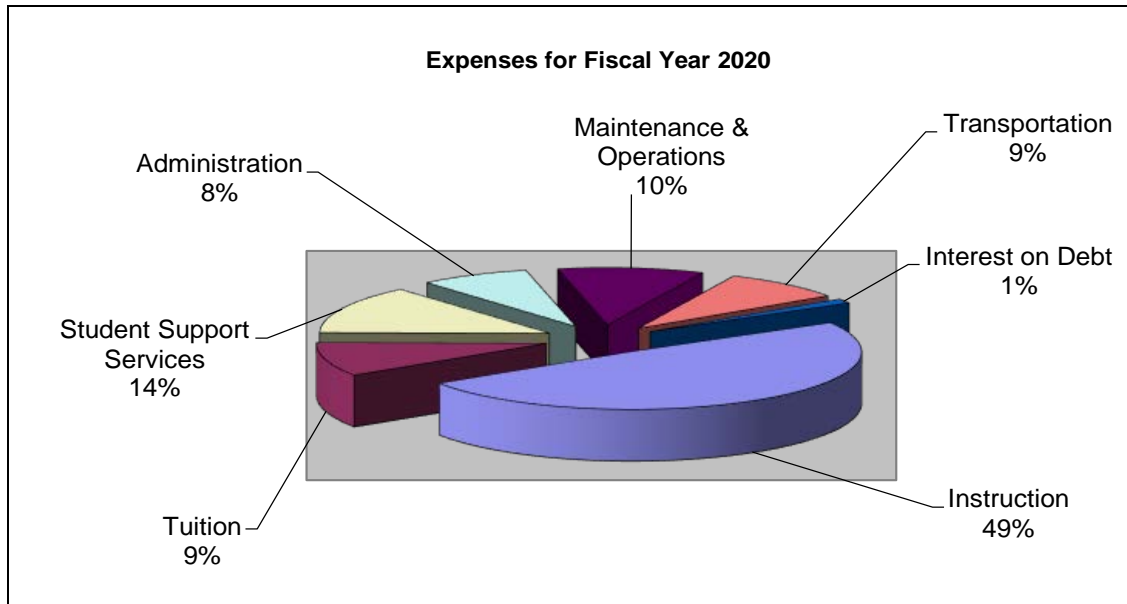
**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Governmental Activities

Property taxes made up 50 percent of revenues for governmental activities for the Township of Middle School District for fiscal year 2020 and 47 percent in 2019. The District's total revenues were \$56,316,894.49 for the year ended June 30, 2020. Federal, state, and local grants accounted for another 43 percent of revenue for 2020 and 47 percent in 2019.



The total cost of all program and services was \$56,268,800.01. Instruction comprises 49 percent of District expenses.



**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service and performing arts center programs) were comprised of charges for services and federal and state reimbursements.

- Enterprise fund expenses exceeded revenues by \$7,831.01.
- Charges for services represent \$394,048.81 of revenue. This represents amounts paid by patrons for daily food service, special functions and rentals.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$710,509.25.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3
Costs of Services**

	Total Cost of Services 2020	Net Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2019
Instruction	\$ 27,604,194.99	14,708,030.83	\$ 29,371,023.04	15,162,939.37
Support Services:				
Tuition	5,262,569.40	5,262,569.40	4,959,568.01	4,959,568.01
Pupils and Instructional Staff	7,639,046.03	4,956,683.83	8,820,832.35	6,148,004.52
General Administration, School Administration and Business Operations	4,355,611.93	3,667,792.64	4,395,213.67	3,538,565.94
Operation and Maintenance of Facilities	5,797,580.71	5,860,590.85	7,368,051.73	7,073,223.17
Pupil Transportation	4,853,436.68	3,211,124.91	5,642,116.31	3,798,096.73
Interest and Fiscal Charges	692,631.26	566,239.26	719,631.26	561,433.26
Other	27,212.00	27,212.00	24,093.00	24,093.00
Total Expenses	\$ 56,232,283.00	38,260,243.72	61,300,529.37	41,265,924.00

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.

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

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

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

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

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

"Other" includes charter schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$54,899,887.49 and expenditures were \$57,175,657.45. The net change in fund balance for the year was most significant in the Capital Project Funds. A decrease of \$2,155,405.56 in the Capital Projects Fund. The Capital Projects Fund decrease is attributed to the bond proceeds received in fiscal year 2018.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2020, and the amount and percentage of total revenues compared to prior year revenues.

<u>Revenue</u>	<u>2019-2020 Amount</u>	<u>Percentage of Total</u>	<u>2018-2019 Amount</u>	<u>Percentage of Total</u>
Local Sources	\$ 31,719,545.47	57.78%	31,196,264.98	58.16%
State Sources	21,201,402.38	38.62%	20,588,828.25	38.39%
Federal Sources	1,361,391.64	2.48%	1,388,474.43	2.59%
Other Financing Sources	<u>617,548.00</u>	<u>1.12%</u>	<u>463,100.00</u>	<u>0.86%</u>
Total	<u>\$ 54,899,887.49</u>	<u>100.00%</u>	<u>53,636,667.66</u>	<u>100.00%</u>

The increase in Local Sources consists mostly of an increase in the local tax levy in the amount of \$505,346.95; and an increase in tuition revenue of \$183,830.37. The increase in State Sources can be attributed to the increase in on-behalf contributions made by the State of New Jersey. The increase in state sources was \$612,574.13. The decrease in federal sources can be attributed to decreased funding from federal grants. The decrease in federal sources was \$27,082.79.

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**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2020, and the percentage of total expenditures compared to prior year amounts.

<u>Expenditures</u>	<u>2019-2020 Amount</u>	<u>Percentage of Total</u>	<u>2018-2019 Amount</u>	<u>Percentage of Total</u>
Current Expense:				
Instruction	\$ 15,665,370.15	27.40%	15,596,067.40	27.05%
Undistributed Expenditures	33,597,783.31	58.76%	34,753,639.01	60.28%
Capital Outlay	2,912,040.60	5.09%	3,339,022.57	5.79%
Transfer to Charter Schools	27,212.00	0.05%	24,093.00	0.04%
Debt Service	1,605,006.26	2.81%	1,632,006.26	2.83%
Special Revenue	<u>3,368,245.13</u>	<u>5.89%</u>	<u>2,313,071.32</u>	<u>4.01%</u>
Total	<u>\$ 57,175,657.45</u>	<u>100.00%</u>	<u>57,657,899.56</u>	<u>100.00%</u>

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements. The State did make the normal contribution to TPAF in fiscal year 2020.
- Tuition for special education students attending county special services, vocational and private schools was less than anticipated levels by \$135,040.44. Transfers were made during the year to other accounts in the budget nearing over-expenditure.
- The district applied for and received extraordinary aid.

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**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2020, the School District had \$39,950,751.04 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2019 balances compared to 2018.

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

	2020	2019
Land	\$ 255,001.00	255,001.00
Construction In Progress	20,648,434.58	18,678,951.00
Land Improvements	332,981.67	261,228.64
Buildings and Improvements	17,405,387.52	18,045,476.20
Machinery and Equipment	2,314,873.63	2,710,094.20
Total	\$ 40,956,678.40	39,950,751.04

Overall capital assets increased \$1,005,927.36 from fiscal year 2019 to fiscal year 2020. The increase in capital assets is due primarily to the progress of the construction project in fiscal year 2020. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2020, the School District had \$33,927,901.01 of outstanding debt. Of this amount, \$1,469,559.25 is for compensated absences; \$1,157,909.76 for various capital leases; \$22,845,000.00 of serial bonds for school construction, net of related premium and/or discounts related to the refunding bonds; and \$8,455,432.00 for net pension liability related to GASB 68.

**Table 5
Outstanding Bonded Debt at June 30**

	2020	2019
2017 School Bonds	\$ 22,845,000.00	23,745,000.00
Total	\$ 22,845,000.00	23,745,000.00

At June 30, 2020, the School District's overall available legal debt margin was \$85,829,050.00. For more detailed information, please refer to the Notes to the Financial Statements.

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**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED (CONTINUED)**

For the Future

The Township of Middle School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern of the district is the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is decreased.

In conclusion, the Township of Middle School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Diane Fox, School Business Administration/Board Secretary at Middle Township Board of Education, Administration Building, 216 S. Main Street, Cape May Court House, NJ 08210.

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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.

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,104,623.70	\$ 164,475.54	\$ 4,269,099.24
Receivables, Net	1,304,684.24	130,299.04	1,434,983.28
Internal Balances	530,032.61	(530,028.11)	4.50
Inventory		18,147.84	18,147.84
Restricted Assets:			
Capital Reserve Account	116,821.27		116,821.27
Capital Assets			
Capital Assets, not depreciated	18,933,952.00		18,933,952.00
Capital Assets being Depreciated, net	21,813,480.87	209,245.53	22,022,726.40
Total Assets	46,803,594.69	(7,860.16)	46,795,734.53
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	1,011,006.00		1,011,006.00
Total Deferred Outflows of Resources	1,011,006.00	-	1,011,006.00
LIABILITIES			
Accounts Payable	99,653.24	46,987.82	146,641.06
Payable to State Government	19,420.89		19,420.89
Unearned Revenue	713,805.13	57,369.11	771,174.24
Accrued Interest	316,940.37		316,940.37
Noncurrent Liabilities			
Due Within One Year	1,385,345.81		1,385,345.81
Due Beyond One Year	24,087,123.20		24,087,123.20
Net Pension Liability	8,455,432.00		8,455,432.00
Total Liabilities	35,077,720.64	104,356.93	35,182,077.57
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	4,223,380.00		4,223,380.00
NET POSITION			
Net Investment in Capital Assets	16,427,582.74	209,245.53	16,636,828.27
Restricted for:			
Other Purposes	5,261,857.73		5,261,857.73
Unrestricted	(13,175,940.42)	(321,462.62)	(13,497,403.04)
Total Net Position	\$ 8,513,500.05	\$ (112,217.09)	\$ 8,401,282.96

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Function/Programs	Expenses	Indirect Cost Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 15,393,333.28	5,439,863.65	2,396,161.00	6,622,249.39		(11,814,786.54)	(11,814,786.54)	
Special Education	3,888,928.62	1,374,311.92	605,359.40	2,953,767.45		(1,704,113.69)	(1,704,113.69)	
Other Instruction	1,114,059.17	393,698.35		318,626.92		(1,189,130.60)	(1,189,130.60)	
Support Services:								
Tuition	5,262,569.40					(5,262,569.40)	(5,262,569.40)	
Student & Instruction Related Services	5,648,695.03	1,990,351.00		2,682,362.20		(4,956,683.83)	(4,956,683.83)	
School Administrative Services	1,252,877.59	526,114.20		280,930.64		(1,498,061.15)	(1,498,061.15)	
General & Other Administrative Services	1,814,617.50	762,002.64		406,888.65		(2,169,731.49)	(2,169,731.49)	
Plant Operation and Maintenance	4,083,019.94	1,714,560.77		(63,010.14)		(5,860,590.85)	(5,860,590.85)	
Pupil Transportation	3,499,870.40	1,353,566.28	83,734.36	1,558,577.41		(3,211,124.91)	(3,211,124.91)	
Unallocated Benefits	13,554,468.81	(13,554,468.81)				-	-	
Charter Schools	27,212.00					(27,212.00)	(27,212.00)	
Interest on Long-Term Debt	692,631.26		126,392.00			(566,239.26)	(566,239.26)	
Total Governmental Activities	<u>56,232,283.00</u>	<u>-</u>	<u>3,211,646.76</u>	<u>14,760,392.52</u>	<u>-</u>	<u>(38,260,243.72)</u>	<u>(38,260,243.72)</u>	
Business-Type Activities:								
Food Service	828,114.68		167,933.40	710,509.25		50,327.97	50,327.97	
Performing Arts Center	284,274.39		226,115.41			(58,158.98)	(58,158.98)	
Total Business-Type Activities	<u>1,112,389.07</u>	<u>-</u>	<u>394,048.81</u>	<u>710,509.25</u>	<u>-</u>	<u>(7,831.01)</u>	<u>(7,831.01)</u>	
Total Primary Government	<u>\$ 57,344,672.07</u>	<u>-</u>	<u>3,605,695.57</u>	<u>15,470,901.77</u>	<u>-</u>	<u>(38,260,243.72)</u>	<u>(38,268,074.73)</u>	
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes, Net					\$	27,143,945.99	27,143,945.99	
Taxes Levied for Debt Service						1,220,702.00	1,220,702.00	
Federal and State Aid not Restricted						9,711,854.50	9,711,854.50	
Investment Earnings						49,423.07	49,423.07	
Miscellaneous Income						218,929.65	218,929.65	
Extraordinary Items:								
Loss on Disposal of Assets						(23,966.64)	(23,966.64)	
Prior Year (Receivable) Payable Cancelled						1,426.37	1,426.37	
Total General Revenues, Special Items, Extraordinary Items and Transfers						<u>38,308,338.20</u>	<u>38,289,154.50</u>	
Change in Net Position						<u>48,094.48</u>	<u>21,079.77</u>	
Net Position - Beginning						<u>8,465,405.57</u>	<u>8,380,203.19</u>	
Net Position - Ending						<u>\$ 8,513,500.05</u>	<u>8,401,282.96</u>	

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

FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,484,417.65	397,663.55	1,222,542.50	-	4,104,623.70
Due from Other Funds	798,863.48		183,333.32	66,117.11	1,048,313.91
Receivables from Other Governments	634,052.73	449,141.00			1,083,193.73
Other Receivables	221,490.51				221,490.51
Restricted Cash & Cash Equivalents	116,821.27				116,821.27
Total Assets	4,255,645.64	846,804.55	1,405,875.82	66,117.11	6,574,443.12
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	99,218.08	435.16			99,653.24
Due to Other Funds	183,333.32	268,830.87	66,117.11		518,281.30
Payable to State Government		19,420.89			19,420.89
Unearned Revenue		713,805.13			713,805.13
Total Liabilities	282,551.40	1,002,492.05	66,117.11	-	1,351,160.56
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	900,000.00				900,000.00
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	850,000.00				850,000.00
Debt Service Fund				66,117.11	66,117.11
Capital Projects Fund			1,020,220.30		1,020,220.30
Committed to:					
Capital Reserve	116,821.27				116,821.27
Maintenance Reserve	1,186,796.95				1,186,796.95
Assigned to:					
Designated by BOE for Subsequent Expenditures	272,305.00				272,305.00
Other Purposes	530,058.69		319,538.41		849,597.10
Unassigned					
General Fund	117,112.33				117,112.33
Special Revenue Fund		(155,687.50)		-	(155,687.50)
Total Fund Balances	3,973,094.24	(155,687.50)	1,339,758.71	66,117.11	5,223,282.56
Total Liabilities and Fund Balances	\$ 4,255,645.64	846,804.55	1,405,875.82	66,117.11	

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

Capital assets used in governmental activities are not resources and therefore are not reported in the funds.

The cost of the assets is \$79,118,372.55 and the accumulated depreciation is \$38,370,939.68.

40,747,432.87

Interest on long-term debt in the statement of activities is accrued, regardless of when due.

(316,940.37)

Pension Liabilities Net of Deferred Outflows & Inflows

(11,667,806.00)

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.

(25,472,469.01)

\$ 8,513,500.05

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 27,143,945.99			1,220,702.00	28,364,647.99
Other Local Governmental Units - Unrestricted	58,000.00				58,000.00
Tuition From Other LEAs Within the State	2,466,765.52				2,466,765.52
Other Tuition	534,754.88				534,754.88
Transportation Fees from Other LEA's	83,734.36				83,734.36
Miscellaneous	185,884.61	1,290.00	24,468.11		211,642.72
Total Local Sources	30,473,085.36	1,290.00	24,468.11	1,220,702.00	31,719,545.47
State Sources	19,079,016.48	1,995,993.90		126,392.00	21,201,402.38
Federal Sources	67,465.91	1,293,925.73			1,361,391.64
Total Revenues	49,619,567.75	3,291,209.63	24,468.11	1,347,094.00	54,282,339.49
EXPENDITURES					
Current:					
Regular Instruction	11,259,474.57	2,296,708.62			13,556,183.19
Special Education Instruction	3,424,796.17				3,424,796.17
Other Instruction	981,099.41				981,099.41
Support Services:					
Tuition	5,262,569.40				5,262,569.40
Student & Instruction Related Serv.	3,888,433.91	1,071,536.51			4,959,970.42
School Administrative Services	1,311,080.74				1,311,080.74
General Administrative Services	1,898,916.60				1,898,916.60
Plant Operation and Maintenance	4,272,698.99				4,272,698.99
Pupil Transportation	3,373,097.85				3,373,097.85
Employee Benefits	13,554,468.81				13,554,468.81
Transfer to Charter School	27,212.00				27,212.00
Debt Service:					
Principal				900,000.00	900,000.00
Interest and Other Charges				705,006.26	705,006.26
Capital Outlay	756,635.04	-	2,155,405.56		2,912,040.60
Total Expenditures	50,010,483.49	3,368,245.13	2,155,405.56	1,605,006.26	57,139,140.44
Excess (Deficiency) of Revenues Over Expenditures	(390,915.74)	(77,035.50)	(2,130,937.45)	(257,912.26)	(2,856,800.95)
OTHER FINANCING SOURCES (USES)					
Capital Leases - Non-Budget	617,548.00				617,548.00
Prior Year Receivables Cancelled	(36,517.01)				(36,517.01)
Transfers to Other Funds				24,468.11	24,468.11
Transfers (from) Other Funds			(24,468.11)		(24,468.11)
Total Other Financing Sources and Uses	581,030.99	-	(24,468.11)	24,468.11	581,030.99
Net Changes in Fund Balance	190,115.25	(77,035.50)	(2,155,405.56)	(233,444.15)	(2,275,769.96)
Fund Balance (Deficit) - July 1	3,782,978.99	(78,652.00)	3,495,164.27	299,561.26	7,499,052.52
Fund Balance (Deficit) - June 30	\$ 3,973,094.24	(155,687.50)	1,339,758.71	66,117.11	5,223,282.56

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$	(2,275,769.96)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
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 depreciation exceeded capital outlays for the period.			
Depreciation expense			(1,274,795.33)
Capital Outlays			2,277,949.09
			1,003,153.76
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.			
District pension contributions - PERS			
Cost of benefits earned net of employee contributions			519,474.00
			519,474.00
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities			
Bonds payable			900,000.00
Capital leases payable			575,204.44
			1,475,204.44
Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.			
Capital lease proceeds			(617,548.00)
			(617,548.00)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).			
			(68,794.76)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The increase in accrued interest is a deduction in the reconciliation.			
			12,375.00
Change in Net Position of Governmental Activities		\$	48,094.48

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2020

	Business-Type Activities - Enterprise Fund		
	Major Funds		
	Food Service	Performing Arts Center	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 73,712.28	90,763.26	164,475.54
Intergovernmental Receivables	87,903.46		87,903.46
Other Receivables	42,395.58		42,395.58
Inventory	18,147.84		18,147.84
Total Current Assets	<u>222,159.16</u>	<u>90,763.26</u>	<u>312,922.42</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	494,764.03	394,256.19	889,020.22
Less: Accumulated Depreciation	<u>(439,672.18)</u>	<u>(240,102.51)</u>	<u>(679,774.69)</u>
Total Noncurrent Assets	<u>55,091.85</u>	<u>154,153.68</u>	<u>209,245.53</u>
Total Assets	<u><u>277,251.01</u></u>	<u><u>244,916.94</u></u>	<u><u>522,167.95</u></u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	46,767.27	220.55	46,987.82
Due to Other Funds	270,636.70	259,391.41	530,028.11
Unearned Revenue	14,038.65	43,330.46	57,369.11
Total Current Liabilities	<u>331,442.62</u>	<u>302,942.42</u>	<u>634,385.04</u>
Total Liabilities	<u>331,442.62</u>	<u>302,942.42</u>	<u>634,385.04</u>
NET POSITION			
Net Investment in Capital Assets			
Related Debt	55,091.85	154,153.68	209,245.53
Unrestricted	<u>(109,283.46)</u>	<u>(212,179.16)</u>	<u>(321,462.62)</u>
Total Net Position	<u><u>\$ (54,191.61)</u></u>	<u><u>(58,025.48)</u></u>	<u><u>(112,217.09)</u></u>

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Fund		
	Major Funds		Totals Enterprise
	Food Service	Performing Arts Center	
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 92,100.35		92,100.35
Daily Sales - Non-reimbursable Programs	65,582.56		65,582.56
Special Functions	6,105.64		6,105.64
Miscellaneous	4,144.85		4,144.85
Rental of Performing Arts Center/Summer Camp		226,115.41	226,115.41
Total Operating Revenue	<u>167,933.40</u>	<u>226,115.41</u>	<u>394,048.81</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	327,162.31		327,162.31
Cost of Sales - Non-reimbursable Programs	26,732.97		26,732.97
Salaries	353,235.91	93,634.43	446,870.34
Employee Benefits		75,860.64	75,860.64
Purchased Technical Services	66,775.00	11,298.06	78,073.06
Cleaning, Repair and Maintenance Services	94.12	11,223.81	11,317.93
Rentals		1,691.64	1,691.64
General Supplies	32,033.36	30,745.43	62,778.79
Miscellaneous	17,240.17	10,950.64	28,190.81
Improvements		32,246.73	32,246.73
Depreciation	4,840.84	16,623.01	21,463.85
Total Operating Expenses	<u>828,114.68</u>	<u>284,274.39</u>	<u>1,112,389.07</u>
Operating Income (Loss)	(660,181.28)	(58,158.98)	(718,340.26)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	11,219.57		11,219.57
Federal Sources:			
National School Lunch Program	475,367.89		475,367.89
Federal School Breakfast Program	174,132.38		174,132.38
Food Distribution Program	49,789.41		49,789.41
Interest and Investment Income	880.08	2,476.49	3,356.57
Loss on Disposal of Assets		(23,966.64)	(23,966.64)
Prior Year Payable Cancelled		1,426.37	1,426.37
Total Nonoperating Revenues (Expenses)	<u>711,389.33</u>	<u>(20,063.78)</u>	<u>691,325.55</u>
Income (Loss) before Contributions & Transfers	<u>51,208.05</u>	<u>(78,222.76)</u>	<u>(27,014.71)</u>
Changes in Net Position	51,208.05	(78,222.76)	(27,014.71)
Total Net Position - Beginning	<u>(105,399.66)</u>	<u>20,197.28</u>	<u>(85,202.38)</u>
Total Net Position - Ending	<u>\$ (54,191.61)</u>	<u>(58,025.48)</u>	<u>(112,217.09)</u>

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020

	Business-Type Activities - Enterprise Fund		
	Major Funds		
	Food Service	Performing Arts Center	Totals Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 176,270.05	150,544.14	326,814.19
Payments to Employees	(369,325.23)	(169,495.07)	(538,820.30)
Payments to Suppliers	(391,556.86)	(103,976.41)	(495,533.27)
Net Cash Provided by (Used for) Operating Activities	<u>(584,612.04)</u>	<u>(122,927.34)</u>	<u>(707,539.38)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	8,514.84		8,514.84
Federal Sources	593,824.57		593,824.57
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>602,339.41</u>	<u>-</u>	<u>602,339.41</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(33,375.73)	(14,828.36)	(48,204.09)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(33,375.73)</u>	<u>(14,828.36)</u>	<u>(48,204.09)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest and Dividends	880.08	2,476.49	3,356.57
Net Cash Provided by (Used for) Investing Activities	<u>880.08</u>	<u>2,476.49</u>	<u>3,356.57</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(14,768.28)	(135,279.21)	(150,047.49)
Balance - Beginning of Year	88,480.56	226,042.47	314,523.03
Balance - End of Year	<u>73,712.28</u>	<u>90,763.26</u>	<u>164,475.54</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(660,181.28)	(58,158.98)	(718,340.26)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	4,840.84	16,623.01	21,463.85
Federal Commodities	49,789.41		49,789.41
(Increase) Decrease in Accounts Receivable	2,451.35		2,451.35
(Increase) Decrease in Inventory	(7,555.57)		(7,555.57)
Increase (Decrease) in Ticket Deposits		(12,681.02)	(12,681.02)
Increase (Decrease) in Deferred Revenue	5,885.30	(62,890.25)	(57,004.95)
Increase (Decrease) in Accounts Payable	20,157.91	(7,046.51)	13,111.40
Increase (Decrease) in Interfunds Payable		1,226.41	1,226.41
Total Adjustments	<u>75,569.24</u>	<u>(64,768.36)</u>	<u>10,800.88</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (584,612.04)</u>	<u>(122,927.34)</u>	<u>(707,539.38)</u>

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2020

	<u>Unemployment Compensation</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 208,652.95	61,966.86	1,788,869.03
Other Accounts Receivable			35,349.03
Interfund Receivable	9,064.66		-
Total Assets	<u>217,717.61</u>	<u>61,966.86</u>	<u>1,824,218.06</u>
LIABILITIES			
Accounts Payable	41,211.53		4,258.77
Interfund Payable - Agency	-		9,064.66
Interfund Payable - General Fund			4.50
Payable to Teachers - Summer Pay			1,170,778.56
Payable to Student Groups			358,742.32
Payroll Deductions and Withholdings			279,297.35
Payable to Teachers Association			2,071.90
Total Liabilities	<u>41,211.53</u>	<u>-</u>	<u>1,824,218.06</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 176,506.08</u>		
Reserved for Scholarships		<u>61,966.86</u>	

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	Unemployment Compensation	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan Member	\$ 46,046.71	
Board Contribution	-	
Scholarships and Awards		7,075.00
Total Contributions	46,046.71	7,075.00
Investment Earnings:		
Interest	2,166.93	700.94
Net Investment Earnings	2,166.93	700.94
Total Additions	48,213.64	7,775.94
DEDUCTIONS		
Unemployment Claims	63,342.53	
Scholarships Awarded		10,480.00
Total Deductions	63,342.53	10,480.00
Changes in Net Position	(15,128.89)	(2,704.06)
Net Position - Beginning of the Year	191,634.97	64,670.92
Net Position - End of the Year	\$ 176,506.08	61,966.86

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Middle 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 superintendent 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 Township of Middle 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 Township of Middle School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Township of Middle School District had an enrollment at June 30, 2020 of 2,529 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 has no component units.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

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

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is 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.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service). 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.

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

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, and Reimbursed TPAF Social Security Contributions.

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. Non-major funds by category are summarized into a single column. GASB Standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major 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.

- a. **General Fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special Revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital Projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. 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.

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

- d. **Debt Service** funds are 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.

Fund Balances – Governmental Funds

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

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

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

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

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

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

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:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for 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. The Performing Arts Center accounts for all revenues and expenses pertaining to operations of the Performing Arts Center.

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

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 are reported using accounting principles similar to proprietary funds.

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 government-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.

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

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

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

2. Investments:

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

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2020, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$	13,841.34
Supplies		4,306.50
	\$	18,147.84

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

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 extend 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.

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

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, including tuition revenue 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 are reported in the period when inventory items are used, rather than in the period purchased.

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 benefiting 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.

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

9. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office 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.

Significant transfers approved by the Board of Education during the fiscal year were as follows:

<u>Budget Category</u>	<u>From</u>	<u>To</u>
Regular Programs - Instruction		
Instructional Salaries of Teachers - 9-12		50,364.80
Regular Programs - Home Instruction		
Other Salaries for Instruction	66,585.50	
Special Education Instruction		
Behavioral Disabilities - Salaries of Teachers		57,425.00
Multiple Disabilities - Salaries of Teachers		154,370.50
Resource Room - Salaries of Teachers	435,399.13	
Resource Room - Other Salaries for Instruction	46,652.71	
Preschool Disabilities-Part Time - Salaries of Teachers	78,714.00	
Preschool Disabilities-Full Time - Salaries of Teachers		78,714.00
Undistributed Expenditures - Instruction		
Tuition to CSSD & Regional Day Schools		95,507.38
Tuition to Private Schools for Disabled within State		82,590.43
Undistributed Expenditures - Other Support Serv.		
Extraordinary Services - Salaries		191,300.74
Undistributed Expenditures - Child Study Team		
Salaries of Other Professional Staff	172,875.06	
Undistributed Expenditures - Supp. Serv. School Admin.		
Salaries of Other Professional Staff		123,034.98
Undistributed Expenditures - Required Maint. School Fac.		
Cleaning, Repair and Maintenance Service		550,022.03
General Supplies		80,254.30
Undistributed Expenditures - Custodial Services		
Purchased Professional and Technical Services	100,072.56	
Cleaning, Repair and Maintenance Service	86,476.54	
Energy (Natural Gas)	63,552.34	
Energy (Electricity)		186,613.37
Undistributed Expenditures - Security		
Purchased Technical Services		54,364.00
Undistributed Expenditures - Student Trans. Svcs		
Sal - Pup. Trans. (Bet Home & School) - Reg		111,458.82
Sal.- Pup. Trans. (Other than Home & School)		66,103.56
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	75,000.00	
Contr. Serv. - (Spc Ed Students) - ESCs & CTSA		197,210.38
Student Transportation Services-Employee Benefits		
Health Benefits	110,212.76	
Unallocated Benefits		
Workmen's Compensation	288,182.10	

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

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 payments 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 Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the Dennis Township, Avalon, Stone Harbor and Woodbine Boards of Education with a negotiated amount up to the final cost as determined by State of New Jersey.

11. Tuition Payable:

Tuition charges for the fiscal years 2019/20 were based on rates established by the receiving district. These rates are subject 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.

13. Allocation of Costs:

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the budgetary expenditures by program.

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, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement, which is effective for fiscal periods after December 31, 2020, will have an effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 31, 2022, may have an effect on the District's financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 31, 2022, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal periods beginning after December 31, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription Based Information Technology Arrangements". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued 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 Statement No. 32". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

NOTE 2 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2020, \$1,712,939.65 of the government's bank balance of \$7,116,061.58 was exposed to custodial credit risk.

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

NOTE 3 – INVESTMENTS

As of June 30, 2020, the District had the following investments:

	Maturities	Fair Value
Certificate of Deposit	\$	1,588.17
Total	\$	1,588.17

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

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

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

NOTE 4 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 255,001.00			255,001.00
Construction in Progress	18,678,951.00	1,969,483.58		20,648,434.58
Total capital assets not being depreciated	18,933,952.00	1,969,483.58	-	20,903,435.58
Capital assets being depreciated:				
Land Improvements	3,496,315.94	113,087.37		3,609,403.31
Buildings and building improvements	46,235,811.42	103,654.00		46,339,465.42
Machinery and Equipment	8,481,244.10	91,724.14	(306,900.00)	8,266,068.24
Total capital assets being depreciated at historical cost	58,213,371.46	308,465.51	(306,900.00)	58,214,936.97
Less accumulated depreciation for:				
Land Improvements	(3,235,087.30)	(41,334.34)		(3,276,421.64)
Buildings and improvements	(28,190,335.22)	(743,742.68)		(28,934,077.90)
Equipment	(5,977,621.83)	(489,718.31)	306,900.00	(6,160,440.14)
Total capital assets being depreciated, net of accumulated depreciation	20,810,327.11	(966,329.82)	-	19,843,997.29
Governmental activity capital assets, net	\$ 39,744,279.11	1,003,153.76	-	40,747,432.87
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 875,494.67	48,204.09	(34,678.54)	889,020.22
Less accumulated depreciation	(669,022.74)	(21,463.85)	10,711.90	(679,774.69)
Enterprise Fund capital assets, net	\$ 206,471.93	\$ 26,740.24	\$ (23,966.64)	\$ 209,245.53

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

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	511,618.20
Special Instruction		129,253.79
Other Instruction		37,027.26
Student and Instruction Related		187,192.15
School Administration		49,480.94
General and Business Administration		71,666.21
Plant Operations and Maintenance		161,254.13
Pupil Transportation		127,302.65
	\$	<u>1,274,795.33</u>

No interest on debt was capitalized during the year and the amount of interest expense paid on long term debt was \$705,006.26.

NOTE 5 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Township of Middle Board of Education by the inclusion of \$1.00 in the 2000/01 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

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

Beginning balance, July 1, 2019		\$ 115,395.56
Interest earnings	<u>1,425.71</u>	<u>1,425.71</u>
Withdrawals:		
None	<u>-</u>	<u>-</u>
Ending balance, June 30, 2020		<u>\$ 116,821.27</u>

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

NOTE 6 – RECEIVABLES

Receivables at June 30, 2020, consisted of accounts (tuition and other services), interfund, and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	District Wide Financial Statements
State Aid	\$ 634,052.73	637,254.19
Federal Aid	449,141.00	533,843.00
Other	221,490.51	263,886.09
Gross Receivables	1,304,684.24	1,434,983.28
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 1,304,684.24	1,434,983.28

NOTE 7 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund and; (2) account for expenses paid by another fund

The following interfund balances remained on the fund financial statements at June 30, 2020:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 798,863.48	183,333.32
Special Revenue Fund		268,830.87
Capital Projects Fund	183,333.32	66,117.11
Debt Service Fund	66,117.11	
Food Service Fund		270,636.70
Performing Arts Center Fund		259,391.41
Unemployment Fund	9,064.66	
Agency Fund		9,069.16
Total	\$ 1,057,378.57	1,057,378.57

The general fund receivable is comprised of four interfunds. The first is due from the special revenue fund in the amount of \$268,830.87 which is a result of the general funds loan to cover the special revenue funds cash deficit. The second interfund of \$270,636.70 owed from the Food Service Fund from the General Fund for cash flow purposes and federal and state subsidies collected in the general fund but not turned over to food service by June 30th. The third interfund was a loan of \$259,391.41 to the Performing Arts Center for operating purposes. There is no repayment plan for the PAC interfunds. The fourth interfund is due from the agency fund in the amount of \$4.50 which a result of interest not turned over by June 30th.

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

The capital projects fund receivable is due from the general fund in the amount of \$183,333.32 which is a result of the bond anticipation note interest being paid by the general fund and not being turned over by June 30th.

The Debt Service Fund receivable is comprised of one interfund. It is due from the Capital Projects Fund in the amount of \$66,117.11 which is result of interest earned on the deposits in the Capital Projects Fund.

The Unemployment Fund receivable is comprised of one interfund. It is due from the Agency Fund in the amount of \$9,064.66 which is result of the 4th quarter B187Q being paid by the agency fund and not being reimbursed by June 30th.

NOTE 8 – UNEARNED REVENUE

The District has unearned revenue reflected on the Statement of Net Position in the District-Wide Financial Statements of \$771,174.24. This consists of unearned revenue of \$713,805.13 in the special revenue fund which is made up of grant proceeds on hand where the grant period overlaps the district's fiscal year and encumbrances payable at year end. In addition, a balance of \$14,038.65 is reflected in the Food Service Fund for payment of meals for future periods and \$43,330.46 in the Performing Arts Center Fund for future production deposits.

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2020 are as follows:

	Balance July 1, 2019	Issues or Additions	Payments or Expenditures	Balance June 30, 2020	Amounts Due Within One Year
Compensated Absences	\$ 1,400,764.49	68,794.76		1,469,559.25	
Capital Leases	1,115,566.20	617,548.00	575,204.44	1,157,909.76	460,345.81
Bonds Payable	23,745,000.00		900,000.00	22,845,000.00	925,000.00
Net Pension Liability	9,903,770.00	3,294,514.00	4,742,852.00	8,455,432.00	
	<u>\$ 36,165,100.69</u>	<u>3,980,856.76</u>	<u>6,218,056.44</u>	<u>33,927,901.01</u>	<u>1,385,345.81</u>

Compensated absences and capital leases have been liquidated in the General Fund.

Bonds Payable

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

At June 30, 2020, bonds payable consisted of the following issues:

\$24,645,000 School Bonds dated July 13, 2017, due in annual installments beginning July 15, 2018 through July 15, 2037, bearing interest at various rates. The balance remaining as of June 30, 2020 is \$22,845,000.00.

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

Debt service requirements on serial bonds payable at June 30, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	925,000.00	677,631.26	1,602,631.26
2022	970,000.00	649,206.26	1,619,206.26
2023	1,000,000.00	619,656.26	1,619,656.26
2024	1,025,000.00	589,281.26	1,614,281.26
2025	1,050,000.00	558,156.26	1,608,156.26
2026-2030	5,875,000.00	2,284,156.30	8,159,156.30
2031-2035	7,125,000.00	1,311,406.30	8,436,406.30
2036-2038	4,875,000.00	234,234.39	5,109,234.39
	<u>\$ 22,845,000.00</u>	<u>6,923,728.29</u>	<u>29,768,728.29</u>

Capital Leases

The District is leasing school buses amounting to \$2,879,054.00 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2020:

Fiscal Year Ending June 30,	Amount
2021	\$ 487,045.79
2022	368,871.07
2023	227,789.07
2024	129,230.44
Total minimum lease payments	1,212,936.37
Less amount representing interest	55,026.61
Present value of lease payments	<u>\$ 1,157,909.76</u>

NOTE 10 – OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in 2023. Total operating lease payments made during the year ended June 30, 2020 were \$74,400.00. Future minimum lease payments are as follows:

Year Ending June 30,	Principal
2021	\$ 74,400.00
2022	74,400.00
2023	37,200.00
Total future minimum lease payments	<u>\$ 186,000.00</u>

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

NOTE 11 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at www.state.nj.us/treasury/pensions/annrpts.shtml

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et seq.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.5% and the PERS rate is 7.5% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2020, 2019, and 2018 were \$3,432,485.00, \$3,160,270.00 and \$2,363,013.00, respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2020, 2019, and 2018 were \$458,145.00, \$502,147.00 and \$490,195.00, respectively, equal to the required contributions for each year.

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

During the fiscal years ended June 30, 2020, 2019, and 2018, the State of New Jersey contributed \$1,273,389.00, \$1,433,494.00 and \$1,526,220.00, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$1,276,602.98, \$1,215,600.77 and \$1,168,924.73, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB Standards.

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. There were employees enrolled in the DCRP for the year ended June 30, 2020.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. 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.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS and employer contributions to the retirement systems.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS and TPAF with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 12 – PUBLIC EMPLOYEES RETIREMENT SYSTEM

At June 30, 2020, the District reported a liability of \$8,455,432.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 0.46926436600%, which was an increase of 0.41896461640% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of (\$63,016.00). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 151,764.00	37352
Changes of assumptions	844,306.00	2934854
Net difference between projected and actual earnings on pension plan investments		133,472.00
Changes in proportion and differences between District contributions and proportionate share of contributions	14,936.00	1,117,702.00
District contributions subsequent to the measurement date	456,456.00	
Total	\$ 1,467,462.00	\$ 4,223,380.00

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

\$456,456.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 382,919.00
2020	1,180,998.00
2021	1,082,603.00
2022	513,204.00
2023	52,650.00
Total	<u>\$ 3,212,374.00</u>

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the RP-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 Disable 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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

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

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

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

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

	1% Decrease (5.68%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the net pension liability	\$ 10,147,920	8,455,432	7,030,928

Pension plan fiduciary net position.

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

NOTE 13 – TEACHERS PENSIONS AND ANNUITY FUND (TPAF)

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		96,591,493.00
Total	\$	96,591,493.00

The net pension liability was measured as of June 30, 2019 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2019, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2018.

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

For the year ended June 30, 2020, the District recognized pension expense of \$5,697,224.00 and revenue of \$5,697,224.00 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,894,189.00	335,782.00
Changes of assumptions	13,738,956.00	27,012,987
Net difference between projected and actual earnings on pension plan investments		257,127.00
Changes in proportion and differences between District contributions and proportionate share of contributions		6,334,472.00
District contributions subsequent to the measurement date	3,164,542.00	
Total	\$ 18,797,687.00	33,940,368.00

\$3,164,542.00 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (655,572.00)
2020	(1,694,876.00)
2021	(1,517,515.00)
2022	(2,927,342.00)
2023	(5,730,885.00)
Thereafter	(5,781,032.00)
Total	\$ (18,307,222.00)

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation 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 assumptions, applied to all period included in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary increases	
Through 2026	1.55% - 4.55% (based on years of service)
Thereafter	2.75% - 5.65% (based on years of service)
Investment rate of return	7.00%

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

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

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Risk Mitigation Services	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%
US 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%

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.60% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.60%) or 1-percentage point higher (6.60%) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

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

NOTE 14 – OTHER POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

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

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's "pay-as-you-go" contributions have remained consistent with Fiscal Year 2018 amounts. The State has appropriated \$1.612 billion in Fiscal Year 2020 as the State's contribution to fund pay-as-you-go PRM costs.

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

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

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

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

Total OPEB Liability

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

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

TPAF - 1.55% - 3.05% based on years of service.

PERS – 2.00% - 6.00% based on years of service

Mortality Rates –

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

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

Health Care Trend Assumptions –

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

Discount Rate –

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

The discount rates as of June 30, 2017, 2018, and 2019 are 3.58%, 3.87%, and 3.50%, respectively.

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

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at 6/30/18	\$ 46,110,832,982.00
Changes for the year:	
Service cost	1,734,404,850.00
Interest	1,827,787,206.00
Differences between Expected & Actual Experiences	(7,323,140,818.00)
Changes in assumptions or other inputs	622,184,027.00
Contributions: Member	37,971,171.00
Benefit payments	<u>(1,280,958,373.00)</u>
Net changes	<u>(4,381,751,937.00)</u>
Balance at 6/30/19	<u>\$ 41,729,081,045.00</u>

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

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

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

	<u>1% Decrease (2.50%)</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability (School Retirees)	49,298,534,898.00	41,729,081,045.00	35,716,321,820.00

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

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	34,382,902,820.00	41,729,081,045.00	51,453,912,586.00

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$775,262.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (10,484,965,300.00)
Changes of assumptions		(8,481,529,343.00)
Changes in proportion and differences between District contributions and proportionate share of contributions		(1,921,145,183.00)
Contributions subsequent to the measurement date	1,190,373,242.00	
Total	\$ 1,921,145,183.00	\$ (20,887,639,826.00)

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

Year ended June 30,	
2020	\$ (2,546,527,182.00)
2021	(2,546,527,182.00)
2022	(2,546,527,182.00)
2023	(2,546,527,182.00)
2024	(2,546,527,182.00)
Thereafter	(6,233,858,733.00)
Total	\$ (18,966,494,643.00)

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

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

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

NOTE 15 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability 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, there is no liability for compensated absences in the Enterprise Funds.

NOTE 16 – DEFERRED COMPENSATION

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

- The Vanguard Group
- Metropolitan Life
- Siracusa
- Equitable
- Lincoln Investment Planning
- T. Rowe Price
- Janus Funds

NOTE 17 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs.

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

NOTE 18 – RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds.

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 prior year:

<u>Fiscal Year</u>	<u>Contributions</u>	<u>Interest on Investments</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 46,046.71	\$ 2,166.93	\$ 63,342.53	\$ 176,506.08
2018-2019	108,453.89	862.98	48,078.39	191,634.97
2017-2018	42,068.36	108.31	91,056.90	130,396.49

NOTE 19 – MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Middle Township Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance, July 1, 2019	\$ 945,760.42
Additions:	
June Transfer	<u>740,949.17</u>
	740,949.17
Withdrawals:	
Board Resolutions	<u>499,912.64</u>
	<u>499,912.64</u>
Ending balance, June 30, 2020	<u><u>\$ 1,186,796.95</u></u>

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

NOTE 20 – COMMITMENTS

The District does not have encumbrance policy at fiscal year end to determine significant encumbrances. All encumbrances are classified as Assigned Fund Balance in the General Fund or unearned revenue in the Special Revenue Fund. Significant encumbrances at June 30th are as follows:

Fund	Amount
General Fund Encumbered Orders	\$ 530,058.69
Special Revenue Fund - Encumbered Orders	223,769.32
Capital Projects Fund - Encumbered Orders	319,538.41
	\$ 1,073,366.42

NOTE 21 – LITIGATION

The Board of Education is a defendant in legal proceedings that are in various stages of litigation. It is believed that the outcome or exposure to the Board, from such litigation could be material to the financial statements.

NOTE 22 – ECONOMIC DEPENDENCY

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

NOTE 23 – FUND BALANCE APPROPRIATED

General Fund – Of the \$3,973,094.24 General Fund fund balance, at June 30, 2020, \$530,058.69 is reserved for encumbrances, \$1,750,000.00 is reserved as excess surplus in accordance with NJSA 18A:7F-7 (\$850,000.00.00 of the reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2021), \$116,821.27 has been reserved in the Capital Reserve Account; \$1,186,796.95 has been reserved in the Maintenance Reserve Account; \$272,305.00 is designated by BOE for subsequent expenditures; and \$117,112.33 is classified and unassigned.

NOTE 24 – 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 of budgeted fund balance in their subsequent years' budget. The excess fund balance for the year ended June 30, 2020 is \$900,000.00.

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

NOTE 25 – DEFICIT FUND BALANCE AND NET POSITION

The District has a deficit (unassigned) fund balance of \$155,687.50 in the Special Revenue Fund as of June 30, 2020 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school 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 last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The District deficit in the General fund and Special revenue fund in the GAAP fund statements is less than or equal to the last state aid payment for that respective fund.

In addition, the District had a deficit in unassigned net position balances in its, Food Service and Performing Arts Center funds of \$109,283.46 and \$212,179.16 respectively. The Food Service fund's total net position was a deficit of \$54,191.61 and the Performing Arts Center fund's total net position was a deficit of \$58,025.48.

NOTE 26 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred from June 30, 2020 through January 18, 2021, 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.

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REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 27,143,946.00		27,143,946.00	27,143,945.99	(0.01)
Other Local Governmental Units - Unrestricted	55,000.00		55,000.00	58,000.00	3,000.00
Tuition From Other LEAs Within the State	2,466,766.00		2,466,766.00	2,466,765.52	(0.48)
Other Tuition			-	534,754.88	534,754.88
Transportation Fees from Other LEA's	10,000.00		10,000.00	83,734.36	73,734.36
Interest Earned on Maintenance Reserve	100.00		100.00		(100.00)
Interest Earned on Capital Reserve	100.00		100.00	1,425.71	1,325.71
Unrestricted Miscellaneous Revenues	81,582.00		81,582.00	184,458.90	102,876.90
Total Local Sources	29,757,494.00	-	29,757,494.00	30,473,085.36	715,591.36
State Sources:					
Special Education Aid	1,437,131.00		1,437,131.00	1,437,131.00	-
Equalization Aid	6,227,922.00		6,227,922.00	6,227,922.00	-
Security Aid	608,776.00		608,776.00	608,776.00	-
Adjustment Aid	2,689,853.00		2,689,853.00	2,689,853.00	-
Transportation Aid	1,570,041.00		1,570,041.00	1,570,041.00	-
School Choice Aid	235,912.00		235,912.00	235,912.00	-
Extraordinary Aid	100,000.00		100,000.00	336,916.00	236,916.00
Nonpublic Transportation Aid			-	38,280.00	38,280.00
TPAF Pension (On-Behalf - Non-Budget)			-	3,432,485.00	3,432,485.00
TPAF Pension - Post Retirement Medical (On Behalf - Non-Budgeted)			-	1,273,389.00	1,273,389.00
TPAF Pension - Long-Term Disability Insurance (On Behalf - Non-Budgeted)			-	2,317.00	2,317.00
TPAF Social Security (Reimbursed-Non-Budget)			-	1,276,602.98	1,276,602.98
Total State Sources	12,869,635.00	-	12,869,635.00	19,129,624.98	6,259,989.98
Federal Sources:					
Medicaid Reimbursement	87,358.00		87,358.00	67,465.91	(19,892.09)
Total Federal Sources	87,358.00	-	87,358.00	67,465.91	(19,892.09)
Total Revenues	42,714,487.00	-	42,714,487.00	49,670,176.25	6,955,689.25

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten - Salaries of Teachers	595,136.00		595,136.00	595,136.00	-
Grades 1 - 5 Salaries of Teachers	4,054,356.00	3,178.20	4,057,534.20	4,054,660.08	2,874.12
Grades 6 - 8 Salaries of Teachers	1,931,744.00	12,811.70	1,944,555.70	1,937,995.41	6,560.29
Grades 9 - 12 Salaries of Teachers	3,660,787.00	50,364.80	3,711,151.80	3,710,172.90	978.90
Regular Programs - Home Instruction					
Salaries of Teachers	118,000.00	(44,909.50)	73,090.50	55,194.50	17,896.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	260,000.00	(66,585.50)	193,414.50	193,414.50	-
Purchased Technical Services	8,738.00	(5,275.56)	3,462.44	750.00	2,712.44
Other Purchased Services (400-500 series)	107,470.00	3,433.00	110,903.00	101,718.47	9,184.53
General Supplies	499,609.74	21,070.10	520,679.84	474,757.39	45,922.45
Textbooks	149,179.00	(9,382.81)	139,796.19	132,357.44	7,438.75
Other Objects	6,150.00		6,150.00	3,317.88	2,832.12
TOTAL REGULAR PROGRAMS - INSTRUCTION	11,391,169.74	(35,295.57)	11,355,874.17	11,259,474.57	96,399.60
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities					
Salaries of Teachers	122,584.00	57,425.00	180,009.00	171,008.55	9,000.45
Other Salaries for Instruction		14,860.00	14,860.00	14,117.00	743.00
General Supplies	350.00		350.00	269.98	80.02
Total Behavioral Disabilities	122,934.00	72,285.00	195,219.00	185,395.53	9,823.47
Multiple Disabilities					
Salaries of Teachers	664,931.00	154,370.50	819,301.50	819,301.50	-
Other Salaries for Instruction	33,290.00	(15,359.80)	17,930.20	17,930.20	-
Other Purchased Services (400-500 series)	5,543.00	(1,000.00)	4,543.00	4,543.00	4,543.00
General Supplies	7,665.00		7,665.00	7,633.27	31.73
Textbooks	760.00		760.00	760.00	-
Total Multiple Disabilities	712,189.00	138,010.70	850,199.70	845,624.97	4,574.73
Resource Room/Resource Center					
Salaries of Teachers	2,625,261.00	(435,399.13)	2,189,861.87	2,189,861.87	-
Other Salaries for Instruction	165,639.00	(46,652.71)	118,986.29	118,986.09	0.20
General Supplies	6,766.00	(109.67)	6,656.33	5,248.45	1,407.88
Textbooks	4,279.00	(1,689.74)	2,589.26	589.26	2,000.00
Total Resource Room/Resource Center	2,801,945.00	(483,851.25)	2,318,093.75	2,314,685.67	3,408.08

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Preschool Disabilities - Part Time					
Salaries of Teachers	78,714.00	(78,714.00)	-	-	-
General Supplies	400.00	(400.00)	-	-	-
Total Preschool Disabilities - Part Time	79,114.00	(79,114.00)	-	-	-
Preschool Disabilities - Full Time					
Salaries of Teachers		78,714.00	78,714.00	78,714.00	-
General Supplies		400.00	400.00	376.00	24.00
Total Preschool Disabilities - Part Time	-	79,114.00	79,114.00	79,090.00	24.00
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,716,182.00	(273,555.55)	3,442,626.45	3,424,796.17	17,830.28
Bilingual Education - Instruction					
Salaries of Teachers	111,438.00	-	111,438.00	100,978.60	10,459.40
Total Bilingual Education - Instruction	111,438.00	-	111,438.00	100,978.60	10,459.40
School-Spon. Co curricular Activities - Instruction					
Salaries	211,273.00	(703.00)	210,570.00	189,691.65	20,878.35
Purchased Services (300-500 series)	10,000.00	(1,101.18)	8,898.82	8,836.07	62.75
Supplies & Materials	6,750.00	(889.40)	5,860.60	5,860.60	-
Other Objects	4,200.00	(800.45)	3,399.55	3,396.76	2.79
Total School-Spon. Co curricular Activities - Inst.	232,223.00	(3,494.03)	228,728.97	207,785.08	20,943.89
School-Spon. Co curricular Athletics - Instruction					
Salaries	490,875.00	14,522.14	505,397.14	439,033.75	66,363.39
Purchased Services (300-500 series)	43,375.00	26,495.98	69,870.98	54,374.17	15,496.81
Supplies & Materials	105,035.20	5,320.00	110,355.20	108,503.18	1,852.02
Other Objects	10,625.00	-	10,625.00	10,025.00	600.00
Total School-Spon. Co curricular Athletics - Inst.	649,910.20	46,338.12	696,248.32	611,936.10	84,312.22
Other Instructional Programs - Instruction					
Salaries	13,000.00	-	13,000.00	11,280.00	1,720.00
Purchased Services (300-500 series)	2,260.00	-	2,260.00	2,260.00	-
Supplies & Materials	1,000.00	-	1,000.00	797.44	202.56
Total Other Instructional Programs - Instruction	16,260.00	-	16,260.00	14,337.44	1,922.56
Other Alternative Education Program - Instruction					
Salaries of Teachers	75,000.00	(20,150.00)	54,850.00	27,031.83	27,818.17
Other Salaries for Instruction		20,150.00	20,150.00	19,030.36	1,119.64
Total Other Instructional Programs - Instruction	75,000.00	-	75,000.00	46,062.19	28,937.81
TOTAL INSTRUCTION	16,192,182.94	(266,007.03)	15,926,175.91	15,665,370.15	260,805.76

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to County Voc. School Dist. - Regular	1,688,634.00	(17,206.60)	1,671,427.40	1,644,346.00	27,081.40
Tuition to County Voc. School Dist. - Special	290,236.53		290,236.53	273,236.03	17,000.50
Tuition to CSSD & Regional Day Schools	2,557,505.00	95,507.38	2,653,012.38	2,593,627.95	59,384.43
Tuition to Private Schools for the Disabled - Within State	352,362.50	82,590.43	434,952.93	403,378.82	31,574.11
Tuition to Private Schools for the Disabled & Oth LEAs- Spl. O/S St	10,933.60		10,933.60	10,933.60	-
Tuition - State Facilities	337,047.00		337,047.00	337,047.00	-
Total Undistributed Expenditures - Instruction	5,236,718.63	160,891.21	5,397,609.84	5,262,569.40	135,040.44
Undistributed Expend. - Health Services					
Salaries	309,707.00	(1,014.41)	308,692.59	296,406.64	12,285.95
Purchased Professional and Technical Services	19,083.25	4,938.00	24,021.25	21,534.25	2,487.00
Purchased Services (400-500 series)	700.00	375.53	1,075.53	1,075.53	-
Supplies & Materials	10,313.00	700.88	11,013.88	10,674.17	339.71
Total Undistributed Expend. - Health Services	339,803.25	5,000.00	344,803.25	329,690.59	15,112.66
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	688,743.00	191,300.74	880,043.74	880,043.74	-
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	688,743.00	191,300.74	880,043.74	880,043.74	-
Undist. Expend. - Guidance					
Salaries of Other P Professional Staff	449,232.00	(28,583.18)	420,648.82	378,561.80	42,087.02
Salaries of Secretarial and Clerical Assistants	70,616.00	7,774.14	78,390.14	78,390.14	-
Purchased Professional - Educational Services	1,200.00		1,200.00	1,200.00	1,200.00
Other Purchased Services (400-500 series)	500.00		500.00	500.00	500.00
Supplies & Materials	6,380.00		6,380.00	4,774.81	1,605.19
Total Undist. Expend. - Other Support Services Guidance	527,928.00	(20,809.04)	507,118.96	461,726.75	45,392.21
Undist. Expend. - Child Study Teams					
Salaries of Other P Professional Staff	1,066,358.00	(172,875.06)	893,482.94	889,342.94	4,140.00
Salaries of Secretarial and Clerical Assistants	80,417.00	907.70	81,324.70	81,324.70	-
Other Salaries	20,000.00	(20,000.00)	-	-	-
Purchased Professional - Educational Services	23,440.00	24,237.70	47,677.70	47,677.70	-
Other Purchased Professional and Tech. Services	308,481.00	7,949.73	316,430.73	257,088.73	59,342.00
Other Purchased Services (400-500 series)	10,894.55	(8,430.56)	2,463.99	2,053.99	410.00
Supplies & Materials	25,163.98	(999.29)	24,164.69	23,789.11	375.58
Other Objects	5,064.00	(3,798.75)	1,265.25	210.00	1,055.25
Total Undist. Expend. - Other Support Services Child Study Teams	1,539,818.53	(173,008.53)	1,366,810.00	1,301,487.17	65,322.83

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisors of Instruction	135,189.00	(493.92)	134,695.08	134,435.04	260.04
Salaries of Other Professional Staff	253,722.00	(21,735.84)	231,986.16	217,158.19	14,827.97
Salaries of Secretarial and Clerical Assistants	77,579.00	2,779.48	80,358.48	80,358.48	-
Purchased Professional - Educational Services	26,025.00	5,191.95	31,216.95	31,216.95	-
Other Purchased Services (400-500 series)	26,280.00		26,280.00	22,709.51	3,570.49
Supplies & Materials	950.00		950.00	329.25	620.75
Other Objects	2,524.00	(191.95)	2,332.05	2,313.75	18.30
Total Undist. Expend. - Improvement of Inst. Serv.	522,269.00	(14,450.28)	507,818.72	488,521.17	19,297.55
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	333,758.00	(16,072.72)	317,685.28	313,371.48	4,313.80
Purchased Professional and Technical Services	18,609.00		18,609.00	12,554.33	6,054.67
Other Purchased Services (400-500 series)	1,350.00		1,350.00	250.45	1,099.55
Supplies & Materials	42,199.00		42,199.00	34,770.94	7,428.06
Total Undistributed Expenditures - Educational Media Services - School Library	395,916.00	(16,072.72)	379,843.28	360,947.20	18,896.08
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	28,708.00	(1,200.00)	27,508.00	23,224.75	4,283.25
Other Purchased Professional and Tech. Services	55,200.00	(10,000.00)	45,200.00	39,081.04	6,118.96
Other Purchased Services (400-500 series)	8,200.00		8,200.00	2,663.59	5,536.41
Supplies & Materials	19,171.00	(15,000.00)	4,171.00	1,047.91	3,123.09
Total Undistributed Expenditures - Instructional Staff Training Services	111,279.00	(26,200.00)	85,079.00	66,017.29	19,061.71
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	203,524.00	12,352.97	215,876.97	215,876.97	-
Legal Services	111,809.29		111,809.29	96,538.73	15,270.56
Audit Fees	40,000.00		40,000.00	34,200.00	5,800.00
Architectural/Engineering Services	25,000.00	37,790.00	62,790.00	52,810.00	9,980.00
Other Purchased Professional Services	42,000.00	23,301.08	65,301.08	64,760.08	541.00
Purchased Technical Services	74,900.00	6,952.41	81,852.41	79,688.68	2,163.73
Communications/Telephone	134,919.00	12,888.50	147,807.50	141,582.84	6,224.66
BOE - Other Purchased Services	8,000.00	6,626.57	14,626.57	14,626.57	-
Other Purchased Services (400-500 series)	517,791.00	(12,123.77)	505,667.23	500,039.32	5,627.91
General Supplies	8,596.00	84.01	8,680.01	8,417.56	262.45
BOE - In House Training/Meeting Supplies	4,700.00		4,700.00	275.00	4,425.00
Miscellaneous Expenditures	26,500.00		26,500.00	11,710.20	1,901.30
BOE Membership Dues and Fees	24,675.00	(12,888.50)	13,611.50	21,270.32	3,404.68
Total Undistributed Expenditures - Support Services - General Administration	1,222,414.29	74,983.27	1,297,397.56	1,241,796.27	55,601.29

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	657,505.00	529.84	658,034.84	657,264.91	769.93
Salaries of Other Professional Staff	12,000.00	123,034.98	135,034.98	132,461.04	2,573.94
Salaries of Secretarial and Clerical Assistants	464,340.00	11,955.86	476,295.86	476,211.57	84.29
Purchased Professional and Technical Services	7,425.00	(2,000.00)	5,425.00	1,913.06	3,511.94
Other Purchased Services (400-500 series)	23,205.87	(4,000.00)	19,205.87	5,297.64	13,908.23
Supplies & Materials	20,972.00	989.25	21,961.25	17,217.00	4,744.25
Other Objects	19,020.00	2,200.52	21,220.52	20,715.52	505.00
Total Undistributed Expenditures - Support Services - School Administration	1,204,467.87	132,710.45	1,337,178.32	1,311,080.74	26,097.58
Undist. Expend. - Central Services					
Salaries	310,747.00	5,793.39	316,540.39	316,540.39	-
Purchased Technical Services	46,722.80	(4,916.06)	41,806.74	37,530.47	4,276.27
Sale/Leaseback Payments	29,742.00	(29,742.00)	-	-	-
Supplies and Materials	10,000.00	(5,568.97)	4,431.03	4,352.82	78.21
Interest on Current Loans	26,478.00	105.09	26,583.09	26,583.09	-
Miscellaneous Expenditures	3,500.00	(450.00)	3,050.00	2,620.00	430.00
Total Undistributed Expenditures - Central Services	427,189.80	(34,778.55)	392,411.25	387,626.77	4,784.48
Undist. Expend. - Admin Info Tech					
Salaries	151,019.00	9,735.94	160,754.94	160,754.94	-
Purchased Technical Services	95,008.00	(2,701.70)	92,306.30	91,738.62	567.68
Other Purchased Services (400-500 series)	1,200.00	1,000.00	2,200.00	1,311.72	888.28
Supplies and Materials	23,590.00	(2,650.34)	20,939.66	11,511.99	9,427.67
Other Objects	5,500.00		5,500.00	4,176.29	1,323.71
Total Undistributed Expenditures - Admin Info Tech	276,317.00	5,383.90	281,700.90	269,493.56	12,207.34
Undist. Expend. - Required Maint. School Fac.					
Salaries	103,655.00	4,957.07	108,612.07	108,612.07	-
Cleaning, Repair and Maintenance Service	515,998.72	550,022.03	1,066,020.75	967,267.49	98,753.26
General Supplies	28,900.29	80,254.30	109,154.59	104,568.02	4,586.57
Total Undistributed Expenditures - Required Maintenance for School Facilities	648,554.01	635,233.40	1,283,787.41	1,180,447.58	103,339.83

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Undist. Expend. - Custodial Services					
Salaries	1,195,130.00	3,009.32	1,198,139.32	1,188,885.81	9,253.51
Purchased Professional and Technical Services	167,000.00	(100,072.56)	66,927.44	65,017.36	1,910.08
Cleaning, Repair and Maintenance Service	144,650.50	(86,476.54)	58,173.96	53,786.01	4,387.95
Other Purchased Property Services	157,033.00	10,404.25	167,437.25	133,439.86	33,997.39
Insurance	320,049.00	(15,362.00)	304,687.00	304,687.00	-
Miscellaneous Purchased Services	28,000.00	(14,499.41)	13,500.59	13,239.45	261.14
General Supplies	106,293.20	42,646.24	148,939.44	146,795.69	2,143.75
Energy (Natural Gas)	315,763.00	(63,552.34)	252,210.66	198,748.55	53,462.11
Energy (Electricity)	558,831.54	186,613.37	745,444.91	694,053.55	51,391.36
Other Objects	4,000.00	(4,000.00)	-	-	-
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	2,996,750.24	(41,289.67)	2,955,460.57	2,798,653.28	156,807.29
Undist. Expend. - Security					
Salaries	153,148.00	22,803.39	175,951.39	175,951.39	-
Purchased Technical Services	56,000.00	54,364.00	110,364.00	110,362.80	1.20
General Supplies	2,000.00	7,150.00	9,150.00	7,283.94	1,866.06
Total Security	211,148.00	84,317.39	295,465.39	293,598.13	1,867.26
Total Undistributed Expenditures Operations and Maintenance of Plant	3,856,452.25	678,261.12	4,534,713.37	4,272,698.99	262,014.38
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	1,264,742.00	111,458.82	1,376,200.82	1,352,394.22	23,806.60
Sal.- Pup. Trans. (Bet. Home & School) - Sp Ed	467,253.00	29,484.10	496,737.10	491,795.83	4,941.27
Sal.- Pup. Trans. (Other than Home & School)		66,103.56	66,103.56	66,103.56	-
Sal.- Pup. Trans. (Bet. Home/School) - Nonpublic	82,046.00	(19,847.85)	62,198.15	62,198.15	-
Other Purchased Professional and Tech. Services	13,000.00	(5,340.00)	7,660.00	7,660.00	-
Cleaning, Repair and Maintenance Service	44,500.00	(42,406.39)	2,093.61	1,558.50	535.11
Rental Payments - School Buses	12,755.00	(7,860.00)	4,895.00	2,250.00	2,645.00
Lease Purchase Payments - School Buses	565,079.00	10,124.69	575,203.69	575,203.69	-
Contr. Serv. - Aid in Lieu Payments - NonPub Sch	48,620.00	(30,611.00)	18,009.00	18,009.00	-
Contr. Serv. - Aid in Lieu Payments - Charter Sch	2,652.00	2,652.00	5,304.00	5,304.00	-
Contr. Serv. - Aid in Lieu Payments - Choice Sch	42,432.00	3,389.91	45,821.91	45,821.91	-
Contr. Serv. - (Sp Ed. Students) - Joint Agrmt	75,000.00	(75,000.00)	-	-	-
Contr. Serv. - (Sp Ed Students) - ESCs & CTSA	90,000.00	197,210.38	287,210.38	264,209.14	23,001.24
Misc. Purchased Service - Transportation	228,444.00	18,802.00	247,246.00	246,546.00	700.00
General Supplies	2,500.00	275.00	2,775.00	2,698.01	76.99
Transportation Supplies	333,043.00	(33,659.97)	299,383.03	216,519.26	82,863.77
Other Objects	8,000.00	12,225.00	20,225.00	20,130.58	94.42
Total Undistributed Expenditures - Student Transportation Services	3,280,066.00	234,348.25	3,514,414.25	3,373,097.85	141,316.40

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Student Transportation Services-Employee Benefits					
Social Security Contributions	150,000.00	1,614.67	151,614.67	151,614.67	-
Workers Compensation	103,295.00		103,295.00	103,295.00	-
Health Benefits	329,801.00	(110,212.76)	219,588.24	205,531.08	14,057.16
Total Student Transportation Services	583,096.00	(108,598.09)	474,497.91	460,440.75	14,057.16
Unallocated Benefits					
Social Security Contribution	445,000.00	27,086.45	472,086.45	472,058.41	28.04
Other Retirement Contributions - PERS	585,533.00	(27,086.45)	558,446.55	461,585.37	96,861.18
Unemployment Compensation	150,000.00	(34,860.00)	115,140.00	500.00	114,640.00
Workmen's Compensation	552,064.00	(288,182.10)	263,881.90	243,044.00	20,837.90
Health Benefits	5,516,295.00		5,516,295.00	5,447,383.01	68,911.99
Other Employee Benefits	545,415.00	443.59	545,858.59	452,674.54	93,184.05
Unused Sick Payment to Terminated/Retired Staff	42,495.00	(443.59)	42,051.41	31,988.75	10,062.66
Total Unallocated Benefits	7,836,802.00	(323,042.10)	7,513,759.90	7,109,234.08	404,525.82
On-Behalf Contributions					
On-Behalf TPAF Non-Cont. Life Insurance (non-bud)			-	3,432,485.00	(3,432,485.00)
On-Behalf TPAF Pension - Post Retirement			-	1,273,389.00	(1,273,389.00)
Medical Contribution (non-bud)			-	2,317.00	(2,317.00)
On-Behalf TPAF Pension - Long-Term			-	1,276,602.98	(1,276,602.98)
Disability Insurance (non-bud)			-	5,984,793.98	(5,984,793.98)
Reimbursed TPAF Social Security Cont.(non-bud)			-		
Total On-Behalf Contributions	-	-	-	13,554,468.81	(5,566,211.00)
Total Personal Services - Employee Benefits	8,419,898.00	(431,640.19)	7,988,257.81	13,554,468.81	(5,566,211.00)
TOTAL UNDISTRIBUTED EXPENDITURES	28,049,280.62	765,919.63	28,815,200.25	33,561,266.30	(4,746,066.05)
Interest Deposit to Maintenance Reserve	100.00		100.00		100.00
TOTAL GENERAL CURRENT EXPENSE	44,241,563.56	499,912.60	44,741,476.16	49,226,636.45	(4,485,160.29)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	100.00		100.00		100.00
Total Interest Deposit to Capital Reserve	100.00	-	100.00	-	100.00
Facilities Acquisition/Construction Services					
Assessment for Debt Service on SDA Funding	139,087.00	0.04	139,087.04	139,087.04	-
Total Facilities Acquisition/Construction Services	139,087.00	0.04	139,087.04	139,087.04	-

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
Assets Acquired Under Capital Lease (non-budget)					
Undistributed Expenditures:					
Equipment:					
Buses and Van	-	-	-	617,548.00	(617,548.00)
Total Assets Acquired Under Capital Lease (non-bud)	-	-	-	617,548.00	(617,548.00)
TOTAL CAPITAL OUTLAY	<u>139,187.00</u>	<u>0.04</u>	<u>139,187.04</u>	<u>756,635.04</u>	<u>(617,448.00)</u>
Transfer of Funds to Charter Schools	27,212.00		27,212.00	27,212.00	-
TOTAL EXPENDITURES	<u>44,407,962.56</u>	<u>499,912.64</u>	<u>44,907,875.20</u>	<u>50,010,483.49</u>	<u>(5,102,608.29)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,693,475.56)</u>	<u>(499,912.64)</u>	<u>(2,193,388.20)</u>	<u>(340,307.24)</u>	<u>1,853,080.96</u>
Other Financing Sources (Uses):					
Capital Leases (non-budget)			-	617,548.00	617,548.00
Prior Year Receivables Cancelled			-	(36,517.01)	(36,517.01)
Total Other Financing Sources:	-	-	-	581,030.99	581,030.99
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,693,475.56)	(499,912.64)	(2,193,388.20)	240,723.75	2,434,111.95
Fund Balance July 1	4,758,616.99	-	4,758,616.99	4,758,616.99	
Fund Balance June 30	<u>\$ 3,065,141.43</u>	<u>(499,912.64)</u>	<u>2,565,228.79</u>	<u>4,999,340.74</u>	<u>2,434,111.95</u>
Recapitulation:				\$ -	
Nonspendable Fund Balance					
None					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				850,000.00	
Excess Surplus - Current Year				900,000.00	
Committed Fund Balance:					
Capital Reserve				116,821.27	
Maintenance Reserve				1,186,796.95	
Assigned Fund Balance:					
Other Purposes				530,058.69	
Designated by BOE for Subsequent Expenditures				272,305.00	
Unassigned Fund Balance:					
General Fund				1,143,358.83	
				4,999,340.74	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				(1,026,246.50)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,973,094.24</u>	

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
State Sources	\$ 951,361.00	739,022.00	1,690,383.00	2,097,775.08	407,392.08
Federal Sources	1,233,943.00	1,664,571.97	2,898,514.97	1,461,562.11	(1,436,952.86)
Local Sources		10,500.00	10,500.00	540.00	(9,960.00)
Total Revenues	2,185,304.00	2,414,093.97	4,599,397.97	3,559,877.19	(1,039,520.78)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	853,245.91	567,571.67	1,420,817.58	1,277,969.25	142,848.33
Other Salaries for Instruction	87,626.00	136,193.26	223,819.26	222,598.02	1,221.24
Purchased Services (300-500 series)	525,490.00	184,418.60	709,908.60	687,606.41	22,302.19
General Supplies		413,421.88	413,421.88	82,968.50	330,453.38
Textbooks		5,004.00	5,004.00	4,988.05	15.95
Other Objects		3,746.00	3,746.00	200.00	3,546.00
Total Instruction	1,466,361.91	1,310,355.41	2,776,717.32	2,276,330.23	500,387.09
Support Services:					
Salaries of Supervisors of Instruction	80,653.00	18,037.29	98,690.29	82,559.04	16,131.25
Salaries of Program Directors	21,564.00	2.20	21,566.20	21,566.20	-
Salaries of Other Professional Staff	137,546.00	121,700.00	259,246.00	239,915.34	19,330.66
Salaries of Sec. And Clerical Assistants	23,604.00	607.48	24,211.48	24,211.48	-
Other Salaries	19,140.00	97,942.58	117,082.58	94,227.66	22,854.92
Personal Services - Employee Benefits	401,073.09	116,671.26	517,744.35	425,802.47	91,941.88
Purchased Technical Services	35,362.00	353,875.00	389,237.00	244,254.48	144,982.52
Other Purchased Services (400-500 series)		302,160.50	302,160.50	125,012.53	177,147.97
Supplies & Materials		84,669.03	84,669.03	22,441.91	62,227.12
Other Objects		8,073.22	8,073.22	3,555.85	4,517.37
Total Support Services	718,942.09	1,103,738.56	1,822,680.65	1,283,546.96	539,133.69

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Instructional Equipment	-		-	-	-
Total Facilities Acquisitions and Const. Services:					
Other Financing Sources (Uses)					
Transfer in from General Fund		-		-	
Total Other Financing Sources (Uses)	-		-	-	-
Total Outflows	<u>2,185,304.00</u>	<u>2,414,093.97</u>	<u>4,599,397.97</u>	<u>3,559,877.19</u>	<u>1,039,520.78</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses) \$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Required Supplementary Information
Budgetary to GAAP Reconciliation
Note to RSI
For the Year Ended June 30, 2020

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 49,670,176.25	[C-2]	\$ 3,559,877.19
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 Year				32,137.26
Current Year				(223,769.32)
Final State Aid payment was delayed until July 2019 is recorded as budgetary revenue but is not recognized under GAAP.		975,638.00		78,652.00
Final State Aid payment was delayed until July 2020 is recorded as budgetary revenue but is not recognized under GAAP.		(1,026,246.50)		(155,687.50)
	[B-2]	\$ 49,619,567.75	[B-2]	\$ 3,291,209.63
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 50,010,483.49	[C-2]	\$ 3,559,877.19
Difference - budget to GAAP:				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.				
Prior Year				32,137.26
Current Year				(223,769.32)
	[B-2]	\$ 50,010,483.49	[B-2]	\$ 3,368,245.13

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REQUIRED SUPPLEMENTARY INFORMATION – PART III

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Seven Fiscal Years

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.4692643660%	0.0502997496%	0.0524873239%	0.0533544147%	0.0530876022%	0.0541975760%	0.0595347259%
District's proportionate of the net pension liability (asset)	\$ 8,455,432.00	\$ 9,903,770.00	\$ 12,218,210.00	\$ 15,802,047.00	\$ 11,917,103.00	\$ 10,147,269.00	\$ 11,378,269.00
District's covered payroll	\$ 3,446,326.00	\$ 3,405,997.00	\$ 3,537,786.00	\$ 3,610,157.00	\$ 3,612,796.00	\$ 3,637,447.00	\$ 3,906,964.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	245.35%	290.77%	345.36%	437.71%	329.86%	278.97%	291.23%
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%

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

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Seven Fiscal Years

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 456,456.00	\$ 500,320.00	\$ 486,239.00	\$ 473,993.00	\$ 456,411.00	\$ 446,797.00	\$ 448,582.00
Contributions in relation to the contractually required contribution	<u>\$ 456,456.00</u>	<u>\$ 500,320.00</u>	<u>\$ 486,239.00</u>	<u>\$ 473,993.00</u>	<u>\$ 456,411.00</u>	<u>\$ 446,797.00</u>	<u>\$ 448,582.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,446,326.00	\$ 3,405,997.00	\$ 3,537,786.00	\$ 3,610,157.00	\$ 3,612,796.00	\$ 3,637,447.00	\$ 3,906,964.00
Contributions as a percentage of covered-employee payroll	13.24%	14.69%	13.74%	13.13%	12.63%	12.28%	11.48%

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

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Seven 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 (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>96,591,493.00</u>	<u>99,662,810.00</u>	<u>105,572,161.00</u>	<u>128,573,724.00</u>	<u>103,651,961.00</u>	<u>90,400,009.00</u>	<u>86,303,256.00</u>
Total	<u>\$ 96,591,493.00</u>	<u>\$ 99,662,810.00</u>	<u>\$ 105,572,161.00</u>	<u>\$ 128,573,724.00</u>	<u>\$ 103,651,961.00</u>	<u>\$ 90,400,009.00</u>	<u>\$ 86,303,256.00</u>
District's covered payroll	\$ 16,946,181.00	\$ 16,346,224.00	\$ 16,442,006.00	\$ 15,873,957.00	\$ 15,867,165.00	\$ 16,259,705.00	\$ 16,434,573.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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%

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

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Four Fiscal Years

	2019	2018	2017	2016
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	\$ 87,853,982.00	\$ 100,775,141.00	\$ 118,250,047.00	\$ 128,265,224.00
Total	\$ 87,853,982.00	\$ 100,775,141.00	\$ 118,250,047.00	\$ 128,265,224.00
District's covered payroll	\$ 20,392,507.00	\$ 19,752,221.00	\$ 19,979,792.00	\$ 19,484,114.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
 State's proportionate share of OPEB associated with the District:				
Service Cost	3,005,696.00	3,419,027.00	4,118,499.00	
Interest Cost	3,966,162.00	4,309,594.00	3,735,608.00	
Differences between Expected & Actual Changes in Assumptions	(18,586,015.00)	(11,037,516.00)	(15,231,216.00)	
Member Contributions	79,943.00	93,133.00	100,854.00	
Benefit Payments	(2,696,855.00)	(2,694,692.00)	(2,738,922.00)	
Change in Total Opeb Liability	(12,921,159.00)	(17,474,906.00)	(10,015,177.00)	
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	100,775,141.00	118,250,047.00	128,265,224.00	
Ending Balance	\$ 87,853,982.00	\$ 100,775,141.00	\$ 118,250,047.00	
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	430.82%	510.20%	591.85%	

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

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

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

	Total Brought Forward (Ex. E-1a)	Preschool Education Aid	I.D.E.A. Preschool	I.D.E.A. Part B	Recovery HS Access Project Grant	Totals 2020
REVENUES:						
State Sources	\$ 38,970.59	1,553,986.30	28,177.00	636,645.00	504,818.19	2,097,775.08
Federal Sources	796,740.11					1,461,562.11
Local Sources	540.00					540.00
Total Revenues	836,250.70	1,553,986.30	28,177.00	636,645.00	504,818.19	3,559,877.19
EXPENDITURES:						
Instruction:						
Salaries of Teachers	505,458.79	692,303.24			80,207.22	1,277,969.25
Other Salaries for Instruction	26,559.26	196,038.76				222,598.02
Purchased Services (300-500 series)	15,084.41		28,177.00	636,645.00	7,700.00	687,606.41
General Supplies	55,024.66	21,626.91			6,316.93	82,968.50
Textbooks	4,988.05					4,988.05
Other Objects	-				200.00	200.00
Total Instruction	607,115.17	909,968.91	28,177.00	636,645.00	94,424.15	2,276,330.23
Support Services:						
Salaries of Supervisors of Instruction	-	82,559.04				82,559.04
Salaries of Program Directors	-	21,566.20				21,566.20
Salaries of Other Professional Staff	-	239,915.34				239,915.34
Salaries of Sec. And Clerical Assistants	-	24,211.48				24,211.48
Other Salaries	14,451.50	22,518.86			57,257.30	94,227.66
Personal Services - Employee Benefits	162,040.00	253,246.47			10,516.00	425,802.47
Purchased Professional - Technical Services	24,747.48				219,507.00	244,254.48
Other Purchased Services (400-500 series)	6,467.16				118,545.37	125,012.53
Supplies & Materials	21,429.39				1,012.52	22,441.91
Other Objects	-				3,555.85	3,555.85
Total Support Services	229,135.53	644,017.39	-	-	410,394.04	1,283,546.96
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfer in from General Fund	-					-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Total Outflows	836,250.70	1,553,986.30	28,177.00	636,645.00	504,818.19	3,559,877.19
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

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

	Total Brought Forward (Ex. E-1b)	Nonpublic Security	Nonpublic Corrective Speech	Nonpublic Compensatory Ed	Nonpublic Exam & Class	Total Carried Forward
REVENUES:						
State Sources	\$ 12,430.90	8,538.65	2,916.48	13,222.56	1,862.00	38,970.59
Federal Sources	796,740.11					796,740.11
Local Sources	540.00					540.00
Total Revenues	809,711.01	8,538.65	2,916.48	13,222.56	1,862.00	836,250.70
EXPENDITURES:						
Instruction:						
Salaries of Teachers	505,458.79					505,458.79
Other Salaries for Instruction	26,559.26					26,559.26
Purchased Services (300-500 series)	1,861.85			13,222.56		15,084.41
General Supplies	55,024.66					55,024.66
Textbooks	4,988.05					4,988.05
Other Objects	-					-
Total Instruction	593,892.61	-	-	13,222.56	-	607,115.17
Support Services:						
Salaries of Supervisors of Instruction	-					-
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	-					-
Salaries of Sec. And Clerical Assistants						
Other Salaries	14,451.50					14,451.50
Personal Services - Employee Benefits	162,040.00					162,040.00
Purchased Professional - Technical Services	19,969.00		2,916.48		1,862.00	24,747.48
Other Purchased Services (400-500 series)	6,467.16					6,467.16
Supplies & Materials	12,890.74	8,538.65				21,429.39
Other Objects	-					-
Total Support Services	215,818.40	8,538.65	2,916.48	-	1,862.00	229,135.53
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfer in from General Fund	-					-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Total Outflows	809,711.01	8,538.65	2,916.48	13,222.56	1,862.00	836,250.70
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

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

	Total Brought Forward (Ex. E-1c)	Nonpublic Nurse	Nonpublic Supplemental Instruction	Nonpublic Textbooks	Nonpublic Technology	Total Carried Forward
REVENUES:						
State Sources	\$ -	5,529.00	1,861.85	2,988.05	2,052.00	12,430.90
Federal Sources	796,740.11					796,740.11
Local Sources	540.00					540.00
Total Revenues	797,280.11	5,529.00	1,861.85	2,988.05	2,052.00	809,711.01
EXPENDITURES:						
Instruction:						
Salaries of Teachers	505,458.79					505,458.79
Other Salaries for Instruction	26,559.26					26,559.26
Purchased Services (300-500 series)	-		1,861.85			1,861.85
General Supplies	52,972.66				2,052.00	55,024.66
Textbooks	2,000.00			2,988.05		4,988.05
Other Objects	-					-
Total Instruction	586,990.71	-	1,861.85	2,988.05	2,052.00	593,892.61
Support Services:						
Salaries of Supervisors of Instruction	-					-
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	-					-
Salaries of Secr. And Clerical Assistants	-					-
Other Salaries	14,451.50					14,451.50
Personal Services - Employee Benefits	162,040.00					162,040.00
Purchased Professional - Technical Services	14,440.00	5,529.00				19,969.00
Other Purchased Services (400-500 series)	6,467.16					6,467.16
Supplies & Materials	12,890.74					12,890.74
Other Objects	-					-
Total Support Services	210,289.40	5,529.00	-	-	-	215,818.40
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-					-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfer in from General Fund	-					-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Total Outflows	797,280.11	5,529.00	1,861.85	2,988.05	2,052.00	809,711.01
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

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

	Total Brought Forward (Ex. E-1d)	Title I	Title I SIA	Title I Reallocated	Title IIA	Total Carried Forward
REVENUES:						
State Sources	\$ -					-
Federal Sources	80,516.79	602,763.75	12,995.50	12,205.91	88,258.16	796,740.11
Local Sources	540.00					540.00
Total Revenues	81,056.79	602,763.75	12,995.50	12,205.91	88,258.16	797,280.11
EXPENDITURES:						
Instruction:						
Salaries of Teachers	2,850.00	439,385.79			63,223.00	505,458.79
Other Salaries for Instruction	15,360.00	11,199.26				26,559.26
Purchased Services (300-500 series)	-	6,462.21	11,807.50	12,205.91		52,972.66
General Supplies	22,497.04					2,000.00
Textbooks	2,000.00					-
Other Objects	-					-
Total Instruction	42,707.04	457,047.26	11,807.50	12,205.91	63,223.00	586,990.71
Support Services:						
Salaries of Supervisors of Instruction	-					-
Salaries of Program Directors	-					-
Salaries of Other Professional Staff	-					-
Salaries of Sec. And Clerical Assistants	-					-
Other Salaries	10,241.00	4,210.50				14,451.50
Personal Services - Employee Benefits	2,176.00	137,110.00			22,754.00	162,040.00
Purchased Professional - Technical Services	14,440.00					14,440.00
Other Purchased Services (400-500 series)	2,998.00		1,188.00		2,281.16	6,467.16
Supplies & Materials	8,494.75	4,395.99				12,890.74
Other Objects	-					-
Total Support Services	38,349.75	145,716.49	1,188.00	-	25,035.16	210,289.40
Facilities Acquisition and Constr. Services:						
Instructional Equipment	-	-				-
Total Facilities Acquisition and Constr. Services	-	-	-	-	-	-
Other Financing Sources (Uses)						
Transfer in from General Fund	-					-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Total Outflows	81,056.79	602,763.75	12,995.50	12,205.91	88,258.16	797,280.11
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-	-

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

	Title III	Title IV	Impact Aid	Cares Emergency Relief	VANS Custom Culture	Total Carried Forward
REVENUES:						
State Sources	\$ 25,202.79	14,440.00	31,922.00	8,952.00	540.00	80,516.79
Federal Sources						540.00
Local Sources						
Total Revenues	<u>25,202.79</u>	<u>14,440.00</u>	<u>31,922.00</u>	<u>8,952.00</u>	<u>540.00</u>	<u>81,056.79</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	2,850.00					2,850.00
Other Salaries for Instruction			15,360.00			15,360.00
Purchased Services (300-500 series)						-
General Supplies	13,640.04		2,363.00	5,954.00	540.00	22,497.04
Textbooks			2,000.00			2,000.00
Other Objects						-
Total Instruction	<u>16,490.04</u>	<u>-</u>	<u>19,723.00</u>	<u>5,954.00</u>	<u>540.00</u>	<u>42,707.04</u>
Support Services:						
Salaries of Supervisors of Instruction						-
Salaries of Program Directors						-
Salaries of Other Professional Staff						-
Salaries of Sec. And Clerical Assistants						-
Other Salaries			10,241.00			10,241.00
Personal Services - Employee Benefits	218.00		1,958.00			2,176.00
Purchased Professional - Technical Services		14,440.00				14,440.00
Other Purchased Services (400-500 series)				2,998.00		2,998.00
Supplies & Materials	8,494.75					8,494.75
Other Objects						-
Total Support Services	<u>8,712.75</u>	<u>14,440.00</u>	<u>12,199.00</u>	<u>2,998.00</u>	<u>-</u>	<u>38,349.75</u>
Facilities Acquisition and Constr. Services:						
Instructional Equipment						-
Total Facilities Acquisition and Constr. Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfer in from General Fund						-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>25,202.79</u>	<u>14,440.00</u>	<u>31,922.00</u>	<u>8,952.00</u>	<u>540.00</u>	<u>81,056.79</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Year Ended June 30, 2020

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 693,912.66	692,303.24	1,609.42
Other Salaries for Instruction	196,038.76	196,038.76	-
Supplies and Materials	22,000.00	21,626.91	373.09
Total Instruction	<u>911,951.42</u>	<u>909,968.91</u>	<u>1,982.51</u>
Support Services:			
Salaries of Supervisors of Instruction	82,559.04	82,559.04	-
Salaries of Program Directors	21,566.20	21,566.20	-
Salaries of Other Professional Staff	259,246.00	239,915.34	19,330.66
Salaries of Secr. and Clerical Assistants	24,211.48	24,211.48	-
Other Salaries	22,518.86	22,518.86	-
Personal Services - Employee Benefits	316,994.00	253,246.47	63,747.53
Total Support Services	<u>727,095.58</u>	<u>644,017.39</u>	<u>83,078.19</u>
Total Expenditures	<u>\$ 1,639,047.00</u>	<u>1,553,986.30</u>	<u>85,060.70</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2019-20 Preschool Education Aid Allocation	\$ 1,556,875.00
Actual Preschool Education Program Aid Carryover June 30, 2019	190,590.01
Add: Budget transfer from General Fund 2020	-
Total Preschool Education Aid Funds Available for 2019-20 Budget	<u>1,747,465.01</u>
Less: 2019-20 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>(1,639,047.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	108,418.01
Add: June 30, 2020 Unexpended Preschool Education Aid	85,060.70
2019-20 Actual Carryover -Preschool Education Aid/Preschool	<u>\$ 193,478.71</u>
2019-20 Preschool Education Aid Carryover Budgeted in 2020-21	<u>\$ 108,418.00</u>

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Funds
Summary Statement of Project Expenditures
For the Year Ended June 30, 2020

Project Title/Issue	Date	Revised Appropriations	GAAP Expenditures to Date		Unexpended Balance June 30, 2020
			Prior Years	Current Years	
Middle Township Elementary School #1 Additions & Renovations	3/8/2016	11,325,277.39	10,372,834.38	444,630.62	507,812.39
Middle Township Elementary School #2 Renovations & Transportation Building	3/8/2016	2,035,353.58	2,031,772.16	3,580.96	0.46
Middle Township Elementary School #2 Transportation Building/Facilities	3/8/2016	6,599,819.74	6,597,569.74	2,250.00	(0.00)
Middle Township Middle School Annex Fields & Parking	3/8/2016	707,083.60	683,168.71	(3,633.82)	27,548.71
Middle Township High School Renovations	3/8/2016	653,504.69	592,187.06	(12,126.00)	73,443.63
Middle Township Elementary School #2 Annex-Fields & Parking	3/8/2016	3,324,099.00	2,955,025.92	(42,480.03)	411,553.11
		<u>\$ 24,645,138.00</u>	<u>23,232,557.97</u>	<u>392,221.73</u>	<u>1,020,358.30</u>

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2020

REVENUES AND OTHER FINANCING SOURCES:

Miscellaneous	\$	24,468.11
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Total Revenues		24,468.11
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EXPENDITURES AND OTHER FINANCING USES:

Purchased Professional and Technical Services		2,250.00
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Construction Services		327,392.07
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Other Objects		62,579.66
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Total Expenditures		392,221.73
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Excess (Deficiency) of Revenues Over (Under) Expenditures		(367,753.62)
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OTHER FINANCING SOURCES/(USES):

Operating Transfers In (Out):		
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Transfer to Debt Service		(24,468.11)
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Total Other Financing Sources(Uses):		(24,468.11)
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Excess (Deficiency) of Revenues and		
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Other Financing Sources Over(Under)		
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Expenditures		(392,221.73)
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Fund Balances, July 1		1,412,442.03
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Fund Balances, June 30	\$	1,020,220.30
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TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Middle Township Elementary School #1 - Additions & Renovations
From Inception and for the Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond Proceeds	\$ 11,330,971.50	\$ (5,694.11)	\$ 11,325,277.39	\$ 11,325,277.39
Total Revenues	<u>11,330,971.50</u>	<u>(5,694.11)</u>	<u>11,325,277.39</u>	<u>11,325,277.39</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	1,224,406.09	-	1,224,406.09	1,261,128.00
Construction Services	8,973,994.67	382,050.96	9,356,045.63	9,805,336.89
Other Objects	174,433.62	62,579.66	237,013.28	258,812.50
Total Expenditures	<u>10,372,834.38</u>	<u>444,630.62</u>	<u>10,817,465.00</u>	<u>11,325,277.39</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 958,137.12</u>	<u>\$ (450,324.73)</u>	<u>\$ 507,812.39</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	3130-080-15-1000			
Bond Authorization Date	3/8/2016			
Bonds Authorized	\$ 11,325,277.39			
Bonds Issued	\$ 11,325,277.39			
Original Cost Authorized	\$ 11,836,760.00			
Additional Authorized Cost	\$ (511,482.61)			
Revised Authorized Cost	\$ 11,325,277.39			
Percentage Increase over Original Authorized Cost	-4.32%			
Percentage Completion	95.52%			
Target Completion Date	FY 2021			

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Middle Township Elementary School #2 - Renovations & Transportation Building
From Inception and for the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Costs
REVENUES AND OTHER FINANCING SOURCES:				
Bond Proceeds	\$ 2,031,772.62	\$ 3,580.96	\$ 2,035,353.58	\$ 2,035,353.58
Total Revenues	<u>2,031,772.62</u>	<u>3,580.96</u>	<u>2,035,353.58</u>	<u>2,035,353.58</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	144,828.42	-	144,828.42	144,828.88
Construction Services	1,859,014.50	3,580.96	1,862,595.46	1,862,595.46
Other Objects	27,929.24		27,929.24	27,929.24
Total Expenditures	<u>2,031,772.16</u>	<u>3,580.96</u>	<u>2,035,353.12</u>	<u>2,035,353.58</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0.46</u>	<u>\$ -</u>	<u>\$ 0.46</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	3130-085-15-1000			
Bond Authorization Date	3/8/2016			
Bonds Authorized	\$ 3,580.96			
Bonds Issued	\$ 2,035,353.58			
Original Cost Authorized	\$ 1,472,476.00			
Additional Authorized Cost	\$ 562,877.58			
Revised Authorized Cost	\$ 2,035,353.58			
Percentage Increase over Original Authorized Cost	38.23%			
Percentage Completion	100.00%			
Target Completion Date	FY 2019-2020			

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Middle Township Elementary School #2 - Transportation Building/Facilities
From Inception and for the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Costs
REVENUES AND OTHER FINANCING SOURCES:				
Bond Proceeds	\$ 6,597,706.59	\$ 2,113.15	\$ 6,599,819.74	\$ 6,599,819.74
Total Revenues	<u>6,597,706.59</u>	<u>2,113.15</u>	<u>6,599,819.74</u>	<u>6,599,819.74</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	579,254.25	2,250.00	581,504.25	581,504.25
Construction Services	5,808,921.97	-	5,808,921.97	5,808,921.97
Other Objects	209,393.52		209,393.52	209,393.52
Total Expenditures	<u>6,597,569.74</u>	<u>2,250.00</u>	<u>6,599,819.74</u>	<u>6,599,819.74</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 136.85</u>	<u>\$ (136.85)</u>	<u>\$ -</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	3130-085-15-4000			
Bond Authorization Date	3/8/2016			
Bonds Authorized	\$ 2,113.15			
Bonds Issued	\$ 6,599,819.74			
Original Cost Authorized	\$ 6,510,725.00			
Additional Authorized Cost	\$ 89,094.74			
Revised Authorized Cost	\$ 6,599,819.74			
Percentage Increase over Original Authorized Cost	1.37%			
Percentage Completion	100.00%			
Target Completion Date	FY 2019-2020			

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Middle Township Middle School #4 - Renovations
From Inception and for the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Costs
REVENUES AND OTHER FINANCING SOURCES:				
Bond Proceeds	\$ 707,083.60		\$ 707,083.60	\$ 707,083.60
Total Revenues	<u>707,083.60</u>	<u>-</u>	<u>707,083.60</u>	<u>707,083.60</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	63,306.97	-	63,306.97	74,654.88
Construction Services	618,652.00	(3,633.82)	615,018.18	623,601.72
Other Objects	1,209.74		1,209.74	8,827.00
Total Expenditures	<u>683,168.71</u>	<u>(3,633.82)</u>	<u>679,534.89</u>	<u>707,083.60</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 23,914.89</u>	<u>\$ 3,633.82</u>	<u>\$ 27,548.71</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	3130-091-15-1000			
Bond Authorization Date	3/8/2016			
Bonds Authorized	\$ -			
Bonds Issued	\$ 707,083.60			
Original Cost Authorized	\$ 765,050.00			
Additional Authorized Cost	\$ (57,966.40)			
Revised Authorized Cost	\$ 707,083.60			
Percentage Increase over Original Authorized Cost	-7.58%			
Percentage Completion	96.10%			
Target Completion Date	FY 2021			

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Middle Township High School - Renovations
From Inception and for the Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
REVENUES AND OTHER FINANCING SOURCES:				
Bond Proceeds	\$ 653,504.69		\$ 653,504.69	\$ 653,504.69
Total Revenues	<u>653,504.69</u>	<u>-</u>	<u>653,504.69</u>	<u>653,504.69</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	72,214.10		72,214.10	77,234.00
Construction Services	517,581.00	(12,126.00)	505,455.00	568,384.69
Other Objects	2,391.96		2,391.96	7,886.00
Total Expenditures	<u>592,187.06</u>	<u>(12,126.00)</u>	<u>580,061.06</u>	<u>653,504.69</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 61,317.63</u>	<u>\$ 12,126.00</u>	<u>\$ 73,443.63</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	3130-050-15-1000			
Bond Authorization Date	3/8/2016			
Bonds Authorized	\$ -			
Bonds Issued	\$ 653,504.69			
Original Cost Authorized	\$ 735,428.00			
Additional Authorized Cost	\$ (81,923.31)			
Revised Authorized Cost	\$ 653,504.69			
Percentage Increase over Original Authorized Cost	-11.14%			
Percentage Completion	88.76%			
Target Completion Date	FY 2021			

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Middle Township Elementary School #2 Annex - Fields & Parking
From Inception and for the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Costs
REVENUES AND OTHER FINANCING SOURCES:				
Bond Proceeds	\$ 3,323,961.00		\$ 3,323,961.00	\$ 3,324,099.00
Total Revenues	<u>3,323,961.00</u>	<u>-</u>	<u>3,323,961.00</u>	<u>3,324,099.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional/Technical Services	274,554.73	-	274,554.73	345,257.00
Construction Services	2,646,251.41	(42,480.03)	2,603,771.38	2,941,080.00
Other Objects	34,219.78	-	34,219.78	37,762.00
Total Expenditures	<u>2,955,025.92</u>	<u>(42,480.03)</u>	<u>2,912,545.89</u>	<u>3,324,099.00</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 368,935.08</u>	<u>\$ 42,480.03</u>	<u>\$ 411,415.11</u>	<u>\$ -</u>
ADDITIONAL PROJECT INFORMATION:				
Project Number	3130-085-15-3000			
Bond Authorization Date	3/8/2016			
Bonds Authorized	\$ -			
Bonds Issued	\$ 3,323,961.00			
Original Cost Authorized	\$ 3,324,699.00			
Additional Authorized Cost	\$ (600.00)			
Revised Authorized Cost	\$ 3,324,099.00			
Percentage Increase over Original Authorized Cost	-0.02%			
Percentage Completion	87.62%			
Target Completion Date	FY 2021			

FIDUCIARY FUNDS DETAIL STATEMENTS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Unemployment Fund - This trust fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

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.

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2020

	Unemployment Compensation Trust	Private Purpose Trust	Agency Funds	Totals
ASSETS				
Cash and Cash Equivalents	\$ 208,652.95	61,966.86	1,788,869.03	2,059,488.84
Other Accounts Receivable			35,349.03	35,349.03
Interfund Receivable	9,064.66		-	9,064.66
Total Assets	217,717.61	61,966.86	1,824,218.06	2,103,902.53
LIABILITIES				
Accounts Payable	41,211.53		4,258.77	45,470.30
Interfund Payable - Agency			9,064.66	9,064.66
Interfund Payable - General Fund			4.50	4.50
Payable to Teachers - Summer Pay			1,170,778.56	1,170,778.56
Payable to Student Groups			358,742.32	358,742.32
Payroll Deductions & Withholdings			279,297.35	279,297.35
Payable to Teachers Association			2,071.90	2,071.90
Total Liabilities	41,211.53	-	1,824,218.06	1,865,429.59
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	\$ 176,506.08			176,506.08
Reserve for Scholarships		61,966.86		61,966.86
Total Net Position		61,966.86		238,472.94
Total Liabilities and Net Position				2,103,902.53

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	Unemployment Compensation Trust	Private Purpose Trust	Totals
ADDITIONS			
Contributions:			
Plan Member	\$ 46,046.71		46,046.71
Board Contribution			-
Scholarships and Awards		7,075.00	7,075.00
Total Contributions	<u>46,046.71</u>	<u>7,075.00</u>	<u>53,121.71</u>
Investments Earnings:			
Interest	2,166.93	700.94	2,867.87
Net Investment Earnings	<u>2,166.93</u>	<u>700.94</u>	<u>2,867.87</u>
Total Additions	<u>48,213.64</u>	<u>7,775.94</u>	<u>55,989.58</u>
Deductions			
Unemployment Claims	63,342.53		63,342.53
Scholarships and Awards		10,480.00	10,480.00
Total Deductions	<u>63,342.53</u>	<u>10,480.00</u>	<u>73,822.53</u>
Change in Net Position	(15,128.89)	(2,704.06)	(17,832.95)
Net Position - Beginning of the Year	<u>191,634.97</u>	<u>64,670.92</u>	<u>256,305.89</u>
Net Position - End of the Year	<u>\$ 176,506.08</u>	<u>61,966.86</u>	<u>238,472.94</u>

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Student Activity:				
Elementary #1 School	\$ 31,381.01	22,610.38	9,322.26	44,669.13
Elementary #2 School	23,300.97	26,142.15	12,813.41	36,629.71
Elementary #4 School	72,231.92	61,859.97	52,491.32	81,600.57
High School	137,982.33	337,909.25	311,138.93	164,752.65
Total Assets	<u>\$ 264,896.23</u>	<u>448,521.75</u>	<u>385,765.92</u>	<u>327,652.06</u>

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS:				
Cash and Cash Equivalents	\$ 1,376,096.90	15,045,904.56	14,960,784.49	1,461,216.97
Intrafund Receivable-SUI to Agency	18.35	5,854.57		5,872.92
Total Assets	1,376,115.25	15,051,759.13	14,960,784.49	1,467,089.89
LIABILITIES:				
Payroll Deductions & Withholding	271,029.65	13,862,158.87	13,853,891.17	279,297.35
Intrafund Receivable-SUI to Agency	-	14,937.58		14,937.58
Due to General Fund	4.50			4.50
Payable to Teachers - Summer	1,100,589.69	1,169,733.14	1,099,544.27	1,170,778.56
Due to Teachers Association	4,491.41	4,929.54	7,349.05	2,071.90
Total Liabilities	1,376,115.25	15,051,759.13	14,960,784.49	1,467,089.89

LONG-TERM DEBT SCHEDULES

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of General Serial Bonds and Loans
As of June 30, 2020

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance June 30, 2019	Increased	Decreased	Balance June 30, 2020
			Date	Outstanding June 30, 2020	Interest Rate	Amount				
Middle Twp. Board of Education, School Bonds	7/13/2017	\$ 24,645,000	7/15/2020	925,000.00	3.000%	\$ 23,745,000.00		900,000.00	22,845,000.00	
			7/15/2021	970,000.00	3.000%					
			7/15/2022	1,000,000.00	3.000%					
			7/15/2023	1,025,000.00	3.000%					
			7/15/2024	1,050,000.00	3.000%					
			7/15/2025	1,100,000.00	3.000%					
			7/15/2026	1,125,000.00	3.000%					
			7/15/2027	1,175,000.00	3.000%					
			7/15/2028	1,200,000.00	3.000%					
			7/15/2029	1,275,000.00	3.000%					
			7/15/2030	1,325,000.00	3.000%					
			7/15/2031	1,375,000.00	3.000%					
			7/15/2032	1,425,000.00	3.000%					
			7/15/2033	1,475,000.00	3.000%					
			7/15/2034	1,525,000.00	3.000%					
			7/15/2035	1,600,000.00	3.000%					
			7/15/2036	1,625,000.00	3.125%					
			7/15/2037	1,650,000.00	3.250%					
						\$ 23,745,000.00		900,000.00	22,845,000.00	

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2020

Description	Amount of Original Issue	Balance July 1, 2019	Issued Current Year	Retired Current Year	Balance June 30, 2020
One (1) 25-passenger 2016 School Bus	\$ 68,906.00	\$ 14,096.13		14,096.13	-
Five (5) 54-passenger 2016 School Buses	478,100.00	97,967.90		97,967.90	-
Six (6) 54-passenger 2017 School Buses	574,000.00	231,477.15		114,934.04	116,543.11
Seven (7) 54-passenger 2018 School Buses	677,400.00	407,157.42		133,089.50	274,067.92
Five (5) 54-passenger 2019 School Buses	463,100.00	364,867.60		86,992.29	277,875.31
Four (4) 54-passenger 2020 School Buses, One Van, One Wheelchair Bus	617,548.00	-	617,548.00	128,124.58	489,423.42
		<u>\$ 1,115,566.20</u>	<u>617,548.00</u>	<u>575,204.44</u>	<u>1,157,909.76</u>

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,220,702.00		1,220,702.00	1,220,702.00	-
Total Local Sources	<u>1,220,702.00</u>	-	<u>1,220,702.00</u>	<u>1,220,702.00</u>	-
State Sources:					
Debt Service Aid Type II	126,392.00		126,392.00	126,392.00	-
Total State Sources	<u>126,392.00</u>	-	<u>126,392.00</u>	<u>126,392.00</u>	-
Total Revenues	<u>1,347,094.00</u>	-	<u>1,347,094.00</u>	<u>1,347,094.00</u>	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	705,007.00		705,007.00	705,006.26	0.74
Redemption of Principal	900,000.00		900,000.00	900,000.00	-
Total Regular Debt Service	<u>1,605,007.00</u>	-	<u>1,605,007.00</u>	<u>1,605,006.26</u>	0.74
Total Expenditures	<u>1,605,007.00</u>	-	<u>1,605,007.00</u>	<u>1,605,006.26</u>	0.74
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(257,913.00)</u>	-	<u>(257,913.00)</u>	<u>(257,912.26)</u>	0.74
Other Financing Sources(Uses):					
Transfer from Capital Projects			-	24,468.11	24,468.11
Total Other Financing Sources(Uses):	-	-	-	<u>24,468.11</u>	<u>24,468.11</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over(Under) Expenditures	<u>(257,913.00)</u>	-	<u>(257,913.00)</u>	<u>(233,444.15)</u>	<u>(24,467.37)</u>
Fund Balance, July 1	299,561.26		-	299,561.26	(299,561.26)
Fund Balance, June 30	<u>\$ 41,648.26</u>	<u>-</u>	<u>(257,913.00)</u>	<u>66,117.11</u>	<u>(324,028.63)</u>

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Statistical Section

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	2011	2012	2013	2014 *	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	\$ 18,153,250.83	18,062,862.28	18,424,968.08	20,438,434.28	22,583,317.92	24,314,939.14	25,575,609.40	13,284,969.95	14,554,397.54	16,427,582.74
Restricted	3,315,052.51	5,015,545.89	4,010,638.65	3,264,275.77	4,123,797.79	2,402,999.09	469,759.60	11,543,493.00	7,399,357.07	5,261,857.73
Unrestricted	(1,324,365.32)	(1,378,298.53)	(1,363,762.23)	(12,463,747.99)	(13,943,897.59)	(13,352,503.89)	(14,831,404.05)	(13,659,161.17)	(13,488,349.04)	(13,175,940.42)
Total governmental activities net position	<u>20,143,938.12</u>	<u>21,700,109.64</u>	<u>21,081,844.50</u>	<u>11,236,962.06</u>	<u>12,763,218.12</u>	<u>13,365,434.34</u>	<u>11,213,964.95</u>	<u>11,169,301.78</u>	<u>8,469,405.57</u>	<u>8,513,500.05</u>
Business-type activities										
Invested in capital assets, net of related debt	40,127.70	54,291.00	230,305.99	233,574.54	249,581.13	237,287.66	216,577.19	201,971.69	206,471.93	209,245.53
Unrestricted	(218,901.54)	34,304.94	(77,793.76)	(117,373.40)	(105,324.37)	(91,293.37)	(174,905.19)	(244,153.05)	(291,674.31)	(321,462.62)
Total business-type activities net position	<u>(178,773.84)</u>	<u>88,595.94</u>	<u>152,512.23</u>	<u>116,201.14</u>	<u>144,256.76</u>	<u>145,994.29</u>	<u>41,672.00</u>	<u>(42,181.36)</u>	<u>(85,202.38)</u>	<u>(112,217.09)</u>
District-wide										
Invested in capital assets, net of related debt	18,193,378.63	18,117,153.28	18,655,274.07	20,672,008.82	22,832,899.05	24,552,226.80	24,565,226.80	13,486,941.64	14,760,869.47	16,636,828.27
Restricted	3,315,052.51	5,015,545.89	4,010,638.65	3,264,275.77	4,123,797.79	2,402,999.09	2,402,999.09	11,543,493.00	7,399,357.07	5,261,857.73
Unrestricted	(1,543,266.86)	(1,343,993.59)	(1,431,555.99)	(12,581,121.39)	(14,049,221.96)	(13,443,797.26)	(13,443,797.26)	(13,903,314.22)	(13,780,023.35)	(13,497,403.04)
Total district net position	<u>\$ 19,965,164.28</u>	<u>21,788,705.58</u>	<u>21,234,356.73</u>	<u>11,355,163.20</u>	<u>12,907,474.88</u>	<u>13,511,428.63</u>	<u>13,511,428.63</u>	<u>11,127,120.42</u>	<u>8,380,203.19</u>	<u>8,401,282.96</u>

* As Restated

Source: CAFR Schedule A-1

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
Instruction:										
Regular	17,146,552.35	17,470,915.28	18,403,903.58	18,313,715.28	19,461,708.44	20,998,549.78	22,853,303.17	23,553,631.82	21,821,426.42	20,633,196.93
Special education	4,948,026.72	4,785,721.81	4,946,466.04	4,748,005.15	5,165,697.23	5,417,944.49	5,611,817.36	5,766,152.25	5,796,039.06	5,263,240.54
Other instruction	1,083,014.62	1,271,525.44	1,398,914.57	1,325,375.03	1,447,620.01	1,514,532.96	1,759,106.14	1,850,662.24	1,753,557.54	1,507,757.52
Support Services:										
Tuition	3,730,155.77	3,661,341.97	4,094,973.67	4,035,179.23	4,808,683.41	4,797,991.78	5,238,670.30	4,769,750.40	4,999,566.01	5,262,569.40
Student & instruction related services	5,283,812.13	5,559,717.82	5,900,073.47	5,900,394.66	6,520,816.80	5,768,899.39	9,870,904.47	8,652,408.96	8,820,832.35	7,639,046.03
General and business administrative services	1,764,948.80	1,776,724.01	2,146,424.10	2,133,475.90	2,435,642.30	2,694,406.24	2,688,897.46	3,167,230.86	2,735,539.58	2,576,620.14
School administrative services	1,631,168.33	1,745,147.80	1,867,526.93	1,696,859.53	1,444,584.27	1,592,532.89	1,716,402.78	1,806,681.74	1,659,674.09	1,779,991.79
Plant operations and maintenance	3,985,713.38	4,068,616.30	4,614,226.75	4,358,829.73	5,071,923.96	6,571,393.46	5,924,223.26	6,265,680.71	7,368,051.73	5,797,580.71
Pupil transportation	2,506,628.28	2,579,139.39	2,973,295.74	3,102,792.86	4,021,942.65	4,599,934.74	4,942,306.09	5,594,211.89	5,642,116.31	4,853,436.68
Special Schools										
Charter Schools	8,787.00	36,296.00	46,185.00	76,884.00	63,190.00	20,188.00	47,090.00	33,115.94	24,093.00	27,212.00
Interest on long-term debt	399,879.35	376,162.50	289,382.70	236,413.03	180,663.36	105,909.46	43,536.32	710,116.94	719,631.26	692,831.26
Unallocated depreciation and amortization	1,404,111.74	1,356,222.49								
Total governmental activities expenses	43,892,798.47	44,687,530.81	46,682,392.55	45,928,924.40	50,622,672.43	54,081,783.19	60,796,257.35	62,169,642.81	61,300,529.37	56,232,283.00
Business-type activities:										
Food service	1,036,235.27	1,072,172.62	1,057,424.76	973,540.76	908,394.47	968,541.65	940,149.63	939,662.28	882,486.87	828,114.68
Performing arts center	131,506.54	127,718.12	150,606.97	159,314.34	210,414.14	218,233.55	316,687.40	291,375.34	302,723.73	284,274.39
Total business-type activities expenses	1,167,741.81	1,199,890.74	1,208,031.73	1,132,855.10	1,118,808.61	1,186,775.20	1,256,837.03	1,231,037.62	1,185,210.60	1,112,389.07
Total district expenses	45,060,540.28	45,887,421.55	47,890,424.28	47,061,779.50	51,741,481.04	55,268,558.39	62,053,094.38	63,400,680.43	62,485,739.97	57,344,672.07
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (resource room) (drivers ed)										
Tuition	248,347.66	308,571.97	345,758.38	528,440.03	535,974.04	550,494.51	525,566.66	536,405.61	591,344.69	605,359.40
Compact Tuition/Child Study Team	3,171,267.76	2,885,688.39	2,609,590.69	2,099,990.51	2,016,276.17	2,132,811.03	2,149,517.27	2,191,114.60	2,226,345.34	2,396,161.00
Pupil transportation	63,807.92	75,864.47	72,085.13							
Plant operations - custodial fees/E-Rate	75,756.86	111,820.34	66,996.16							
Interest on Long-Term Debt	41,247.08		5,156.75							
Operating grants and contributions	7,892,569.23	8,506,866.36	8,591,611.36	8,531,054.25	12,980,590.39	14,888,906.29	18,160,669.31	21,026,476.04	17,047,555.89	14,760,392.52
Capital grants and contributions			4,500.00							
Total governmental activities program revenues	11,532,996.51	11,887,811.53	11,685,688.47	11,159,484.79	15,534,630.60	17,572,211.83	20,858,189.60	23,787,676.24	20,034,605.37	17,972,039.28
Business-type activities:										
Charges for services:										
Food service	518,695.75	486,730.13	419,529.68	340,967.25	320,991.66	332,079.29	288,072.19	229,809.36	239,161.31	167,933.40
Performing arts center	115,499.54	114,207.20	123,256.00	149,389.99	218,703.63	219,430.00	210,361.64	273,451.83	294,646.61	226,115.41
Operating grants and contributions	539,515.23	566,256.47	556,988.83	575,224.63	581,038.88	636,769.32	653,924.85	624,161.30	592,775.68	710,509.25
Total business-type activities program revenue	1,173,710.52	1,167,193.80	1,099,774.51	1,065,581.87	1,120,734.17	1,188,276.61	1,152,356.68	1,127,422.49	1,126,583.60	1,104,568.06
Total district program revenue	12,706,707.03	13,055,005.33	12,785,462.98	12,225,066.66	16,655,364.77	18,760,490.44	22,010,548.28	24,915,098.73	21,161,189.97	19,076,597.34

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	(32,359,801.96)	(32,799,719.28)	(34,996,704.08)	(34,769,439.61)	(35,087,841.83)	(36,509,571.36)	(39,938,067.75)	(38,381,966.57)	(41,265,924.00)	(38,260,243.72)
Business-type activities	6,968.71	(32,696.94)	(108,277.22)	(67,773.23)	1,935.56	1,503.41	(104,478.35)	(403,615.13)	(58,827.00)	(681,011.01)
Total district-wide net expense	<u>(32,353,833.25)</u>	<u>(32,832,416.22)</u>	<u>(35,104,981.30)</u>	<u>(34,836,712.84)</u>	<u>(35,085,916.27)</u>	<u>(36,508,067.95)</u>	<u>(40,042,546.10)</u>	<u>(38,485,581.70)</u>	<u>(41,324,751.00)</u>	<u>(38,265,074.73)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	22,217,919.00	22,662,277.00	22,662,277.00	23,568,769.00	24,040,144.01	24,520,946.80	25,011,365.99	25,665,775.04	26,400,435.04	27,143,945.99
Taxes levied for debt service	1,626,754.00	1,544,825.00	1,570,160.00	1,606,050.00	1,621,050.00	1,639,250.00	1,589,992.00	1,671,568.00	1,458,866.00	1,220,702.00
Unrestricted grants and contributions	9,665,795.43	10,322,650.56	10,213,605.16	10,357,848.90	10,712,459.80	10,683,902.20	10,842,494.80	10,560,453.00	10,239,262.80	9,711,854.50
Investment earnings	7,888.28	6,238.77	2,813.84	3,011.80	2,674.82	3,041.66	3,092.96	842.71	1,937.02	48,423.07
Miscellaneous income	230,280.45	118,899.47	184,410.54	320,564.47	235,769.26	264,646.92	343,622.25	447,149.61	498,479.43	218,929.65
Loss on disposal of fixed assets	(4,375.00)		(3,500.00)							
State Grant Receivable Cancelled	(85,447.06)									
Transfers		(300,000.00)								
Total governmental activities	<u>33,658,795.10</u>	<u>34,355,890.80</u>	<u>34,629,766.54</u>	<u>35,856,244.17</u>	<u>36,612,097.89</u>	<u>37,111,787.58</u>	<u>37,790,568.00</u>	<u>38,345,788.36</u>	<u>38,562,027.79</u>	<u>38,344,855.21</u>
Business-type activities:										
Investment earnings	158.74	66.72	22.01	166.41	150.06	234.12	196.06	160.21	1,606.03	3,356.57
Loss on disposal of fixed assets									(254.13)	
Prior Year (Receivable) Payable Cancelled									275.15	(36,517.01)
Chartwells guaranteed return			31,279.84	9,570.03	9,128.00	-	(4,009.64)	(8,484.96)	13,978.93	(23,966.64)
Transfers/Other	158.74	300,066.72	31,301.85	21,225.70	16,852.00	-	-	19,601.56	1,926.37	1,426.37
Total business-type activities	<u>33,658,953.84</u>	<u>34,655,957.52</u>	<u>34,661,068.39</u>	<u>35,887,206.31</u>	<u>36,639,227.95</u>	<u>37,112,021.70</u>	<u>37,786,754.42</u>	<u>38,357,065.17</u>	<u>38,577,633.77</u>	<u>38,298,154.50</u>
Total district-wide	<u>\$ 1,298,993.14</u>	<u>\$ 1,556,171.52</u>	<u>\$ 1,566,937.54</u>	<u>\$ 1,086,804.56</u>	<u>\$ 1,524,266.06</u>	<u>\$ 602,216.22</u>	<u>\$ (2,147,498.75)</u>	<u>\$ (36,178.21)</u>	<u>\$ (2,703,896.21)</u>	<u>\$ 84,611.49</u>
Governmental activities	6,127.45	287,369.78	176,975.37	(35,311.09)	29,055.62	1,737.53	(108,291.93)	(92,338.32)	(43,021.02)	(63,531.72)
Business-type activities	<u>1,305,120.59</u>	<u>1,823,541.30</u>	<u>(448,972.91)</u>	<u>1,050,493.47</u>	<u>1,552,311.68</u>	<u>603,953.75</u>	<u>(2,285,791.88)</u>	<u>(1,288,516.53)</u>	<u>(2,746,917.23)</u>	<u>21,079.77</u>
Total district	<u>\$ 7,332,113.73</u>	<u>\$ 3,379,712.82</u>	<u>\$ 707,964.63</u>	<u>\$ 1,020,482.47</u>	<u>\$ 1,552,311.68</u>	<u>\$ 603,953.75</u>	<u>\$ (2,394,283.81)</u>	<u>\$ (1,387,834.85)</u>	<u>\$ (2,789,938.25)</u>	<u>\$ 21,079.77</u>

Source: CAFR Schedule A-2

Exhibit J-3

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	2,839,881.62	3,075,252.98	1,548,318.23	1,899,267.18	2,022,468.02	1,753,722.39	2,126,194.15	2,212,842.00	1,800,000.00	1,750,000.00
Committed	483,015.84	1,674,960.22	2,589,841.25	1,365,008.59	1,975,704.76	2,151,150.82	1,976,667.57	1,973,565.62	1,061,155.98	1,303,618.22
Assigned		192,279.36			125,625.01	81,074.00	288,232.00	852,130.68	743,475.56	802,363.69
Unassigned	(71,529.66)		(51,166.63)	(25,147.43)	(82,015.20)	112,826.82	248,234.31	62,574.62	178,347.45	117,112.33
Reserved										
Unreserved										
Total general fund	<u>3,251,367.80</u>	<u>4,942,492.56</u>	<u>4,086,992.65</u>	<u>3,239,128.34</u>	<u>4,041,782.59</u>	<u>4,098,774.03</u>	<u>4,639,328.03</u>	<u>5,101,212.92</u>	<u>3,782,978.99</u>	<u>3,973,094.24</u>
All Other Governmental Funds										
Restricted										
Reported in Debt Service Fund	48,819.51	7,544.51				2,681.09	17,622.88	272,854.86	299,561.26	66,117.11
Reported in Capital Projects Fund						(1,585,629.21)	(12,530,457.19)	3,617,216.03	1,412,442.03	1,020,220.30
Committed										
Assigned										
Unassigned	(86,001.50)	(92,617.00)	(87,626.50)	(88,550.40)	(92,701.20)	1,267,589.51	8,591,500.19	2,614,783.81	2,082,722.24	319,538.41
Reserved						(81,632.40)	(85,783.20)	(85,783.20)	(78,652.00)	(155,687.50)
Unreserved, reported in:										
Special revenue fund										
Capital projects fund										
Debt service fund										
Permanent fund										
Total all other governmental funds	<u>(37,181.99)</u>	<u>(85,072.49)</u>	<u>(87,626.50)</u>	<u>(88,550.40)</u>	<u>(92,701.20)</u>	<u>(396,991.01)</u>	<u>(4,007,117.32)</u>	<u>6,419,071.50</u>	<u>3,716,073.53</u>	<u>1,250,188.32</u>

Source: CAFR Schedule B-1

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 23,844,673	24,207,102	24,232,437	25,174,819	25,661,194	26,160,197	26,601,358	27,337,343	27,859,301	28,364,648
Tuition charges	3,419,615	3,194,260	2,914,635	2,613,274	2,554,250	2,683,306	2,675,086	2,727,520	2,817,690	3,001,520
Interest earnings	7,889	6,239	2,814	3,012	2,675	3,042	3,093	843	1,937	49,423
Miscellaneous	419,115	455,757	369,353	335,654	235,769	264,647	366,057	464,165	517,337	303,954
State sources	15,835,416	16,939,338	17,441,366	17,282,855	17,987,403	18,539,934	19,216,330	19,651,255	20,588,828	21,201,402
Federal sources	1,762,449	1,988,775	1,358,350	1,606,115	1,727,887	1,585,344	1,427,957	1,767,558	1,388,474	1,361,392
Total revenue	45,289,157	46,691,471	46,318,955	47,015,729	48,168,177	49,236,470	50,289,881	51,948,684	53,173,566	54,282,339
Expenditures										
Instruction:										
Regular instruction	12,601,209	12,624,939	12,552,894	12,576,734	12,304,803	12,487,892	12,500,352	12,656,949	12,883,110	13,556,183
Special education instruction	3,441,859	3,271,313	3,205,862	3,065,499	3,260,883	3,216,583	3,055,410	3,088,541	3,421,912	3,424,796
Other instruction	798,097	916,542	958,678	897,987	913,785	899,247	957,763	994,485	1,035,279	981,099
Support Services:										
Tuition	3,730,156	3,661,342	4,094,974	4,035,179	4,808,683	4,797,992	5,238,670	4,769,750	4,959,568	5,262,569
Student & instruction related services	4,020,890	4,238,267	4,165,836	4,219,733	4,307,678	4,233,802	4,264,655	4,679,513	4,680,813	4,959,970
General administrative services	892,267	895,174	1,040,924	1,101,340	1,114,844	1,073,446	1,058,759	1,135,091	1,191,196	1,241,796
Business administrative services	699,974	698,012	705,495	630,245	646,754	719,953	662,320	811,711	627,288	657,120
School administrative services	1,101,114	1,110,848	1,172,608	1,098,877	1,046,587	1,059,991	1,096,616	1,110,513	1,103,289	1,311,081
Plant operations and maintenance	3,276,732	3,437,723	4,049,701	5,228,509	3,710,155	4,387,374	3,811,940	3,860,387	4,898,005	4,272,699
Pupil transportation	2,614,330	2,645,276	2,853,953	3,112,715	2,913,461	3,047,488	3,283,952	3,357,651	3,686,889	3,373,098
Unallocated employee benefits	8,886,810	9,463,901	10,353,540	10,057,885	10,513,713	11,439,046	12,042,672	13,068,129	14,175,428	13,564,469
Special schools	8,787	36,296	46,185	76,884	63,190	20,188	47,090	33,115	24,093	27,212
Charter Schools	485,130	566,829	566,423	426,963	324,349	1,052,770	4,334,004	15,290,530	3,339,023	2,912,041
Capital outlay										
Debt service:										
Principal	1,270,000	1,195,000	1,230,000	1,300,000	1,370,000	1,440,000	1,450,000	1,095,000	900,000	900,000
Interest and other charges	315,479	391,100	355,250	306,950	254,050	199,250	127,250	431,645	732,006	705,006
Total Expenditures	44,144,834	45,152,562	47,352,323	48,134,600	47,555,936	50,075,022	53,933,453	66,383,010	57,657,899	57,139,140
Excess (Deficiency) of revenues over (under) expenditures	1,144,323	1,538,909	(1,033,368)	(1,118,871)	613,241	(838,552)	(3,643,572)	(14,434,326)	(4,484,332)	(2,856,801)
Other Financing Sources (Uses)										
Capital leases	250,000	404,325	175,314	270,083	185,262	591,256	574,000	677,400	463,100	617,548
Bond proceeds								24,645,000		
Bond issuance premium								86,284	41,649	(36,517)
Prior Year Receivables Cancelled								(86,284)	(41,649)	24,468
Transfers in								25,322,400	463,100	(24,468)
Transfers (out)	(85,447)	(300,000)	175,314	270,083	185,262	591,256	574,000			581,031
Total other financing sources (uses)	164,553	104,325	175,314	270,083	185,262	591,256	574,000			
Net change in fund balances	\$ 1,308,876	1,643,234	(858,054)	(848,788)	798,503	(247,296)	(3,069,572)	10,888,074	(4,021,232)	(2,275,770)
Debt service as a percentage of noncapital expenditures	3.63%	3.56%	3.39%	3.37%	3.44%	3.34%	3.18%	2.99%	3.00%	2.96%

Source: CAFR Schedule B-2

Exhibit J-5

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
 General Fund Other Local Revenue by Source,
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Transportation	Resource Room	Driver Education	Child Study Team	E-Rate	Rentals	Custodial Fees	Admissions	Sale of Assets	Miscellaneous	Totals
2011	7,888.28	3,171,267.76	75,756.86	248,347.66	26,313.00	63,807.92	41,247.08	4,825.00		16,369.00		182,753.35	3,838,575.91
2012	6,238.77	2,885,688.39	111,820.34	308,571.97	30,535.00	75,964.47	38,182.52	2,275.00		16,537.00	2,140.09	177,998.66	3,655,952.21
2013	2,813.84	2,609,590.69	66,986.16	305,044.38	25,210.00	72,085.13	43,507.76	1,200.00		15,504.00		139,702.78	3,286,801.49
2014	3,011.80	2,389,443.43	73,061.49	223,830.11	20,445.00	55,765.21	47,392.37	5,035.00	5,156.75	15,547.00		139,702.78	2,972,844.19
2015	2,674.82	2,554,250.21	22,082.68		22,080.00	57,004.07	52,084.67	5,836.25		15,547.00		61,124.59	2,792,694.29
2016	3,041.66	2,683,305.54	12,497.50		12,705.00	57,174.87	54,001.83	4,075.00		16,023.00		108,169.72	2,950,994.12
2017	3,160.51	2,675,085.89	22,434.36		20,215.00	56,832.89	39,928.52	5,488.75		13,662.00		50,236.00	2,892,532.71
2018	8,330.97	2,727,520.21	9,654.99		22,560.00	83,050.34	39,411.35	5,720.00		14,416.00		130,070.85	3,040,734.71
2019	40,898.74	2,817,690.03	11,161.45		27,980.00	-	110,757.65	7,888.75		12,386.00	14,093.30	186,983.35	3,229,619.27
2020	49,423.07	3,001,520.40	83,734.36		15,535.00		36,228.39	4,235.00		10,995.00		69,468.15	3,271,139.37

Source: District Records

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farmland	Farm Homestead	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2011	174,644,600	2,360,449,000	10,726,300	1,518,100	595,137,100	5,362,400	4,888,200	3,152,725,700	7,057,358	3,159,783,058	0.734	2,960,186,417
2012	158,372,200	2,251,050,100	10,452,300	1,265,300	579,952,800	5,362,400	4,851,500	3,011,306,600	6,894,448	3,018,201,048	0.767	2,828,581,050
* 2013	130,450,000	1,985,955,200	9,235,900	1,263,200	536,199,900	4,844,200	4,149,100	2,682,097,500	6,173,756	2,688,271,256	0.803	2,844,463,733
* 2014	124,299,800	2,016,773,400	9,255,900	1,277,000	541,660,400	4,844,200	4,149,100	2,702,259,800	5,239,697	2,707,499,497	0.948	2,680,036,969
2015	124,719,800	2,028,412,300	9,047,700	1,221,200	546,601,400	4,844,200	4,149,100	2,718,995,700	6,646,039	2,725,641,739	0.959	2,697,303,717
2016	116,448,800	2,039,926,900	9,243,800	1,162,500	544,935,300	4,844,200	3,738,400	2,720,299,900	6,816,205	2,727,116,105	0.976	2,624,440,061
2017	120,239,200	2,051,441,900	8,229,100	1,113,700	542,470,800	4,844,200	3,738,400	2,732,077,300	7,898,823	2,739,976,123	0.998	2,633,359,335
2018	107,193,000	2,069,447,800	8,999,600	1,272,700	542,352,600	4,844,200	3,738,400	2,737,848,300	7,669,326	2,745,517,626	1.015	2,664,444,324
2019	97,945,900	2,094,240,800	9,081,800	1,273,000	541,438,700	4,785,100	3,738,400	2,752,503,700	7,942,221	2,760,445,921	1.028	2,741,196,146
2020	95,659,700	2,102,216,700	8,921,000	1,255,100	539,785,800	4,785,100	4,936,500	2,757,559,900	8,221,246	2,765,781,146	1.061	2,810,010,304

Source: County Abstract of Rates & Municipal Tax Assessor

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	MIDDLE TOWNSHIP SCHOOL DISTRICT				Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Open Space	County Library	Other	Municipal Local Purpose	
2011	0.716	0.051	0.767	0.170	0.010	0.028		0.390	1.365
2012 R	0.752	0.051	0.803	0.179	0.011	0.027		0.390	1.410
2013 R	0.879	0.058	0.937	0.217	0.011	0.031		0.454	1.650
2014	0.889	0.059	0.948	0.209	0.010	0.029		0.455	1.651
2015	0.900	0.059	0.959	0.212	0.010	0.029		0.452	1.662
2016	0.916	0.060	0.976	0.210	0.010	0.028		0.452	1.676
2017	0.940	0.058	0.998	0.210	0.010	0.032		0.472	1.722
2018	0.954	0.061	1.015	0.218	0.010	0.033		0.483	1.759
2019	0.975	0.053	1.028	0.227	0.010	0.033		0.483	1.781
2020	1.017	0.044	1.061	0.232	0.011	0.035		0.484	1.823

Source: District Records and Municipal Tax Collector

Rate does not include fire district tax. This rate will vary depending on the district.

R - Revaluation/Reassessment effective in years indicated.

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Ten Years Ago

Exhibit J-8

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Delco, LLC/Grande Properties LLC	\$ 51,183,600	1	1.85%	\$ 52,615,500	1	1.67%
Plaza at Cape May Courthouse LLC	20,272,500	2	0.73%			
Cape Regional Holdings LLC	19,427,400	3	0.70%			
Individual Taxpayer	18,730,600	4	0.68%			
Rio Grande Associates	11,380,500	5	0.41%	12,100,000	4	0.38%
HD Development of Maryland LLC	10,522,300	6	0.38%	10,918,800	7	0.35%
New Jersey Bell Telephone Co	8,996,432	7	0.33%			0.00%
Individual Taxpayer/Garden Lake	8,410,200	8	0.30%			
Starns Markets, Inc.	7,708,200	9	0.28%			
Phntus Lo Cape May LLC	7,364,100	10	0.27%			
Shelvin Two (Acme/Pier 1)				19,129,300	2	0.61%
Cape May Grocery Owners, LLC				13,800,900	3	0.44%
Rio Mall, LLC				11,464,400	5	0.36%
Cape Savings Bank, SLA				11,223,000	6	0.36%
Garden Lake (Kapp)				9,055,000	8	0.29%
Erm- Sandbarren, LLC				8,251,400	9	0.26%
Individual Taxpayer				7,984,500	10	0.25%
Totals	\$ 163,995,832		5.93%	\$ 156,542,800		4.95%
						\$ 3,159,783,058

Source: District CAFR & Municipal Tax Assessor

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	23,844,673.00	23,844,673.00	100%	-
2012	24,207,102.00	24,207,102.00	100%	-
2013	24,232,437.00	24,232,437.00	100%	-
2014	25,174,819.00	25,174,819.00	100%	-
2015	25,661,194.01	25,661,194.01	100%	-
2016	26,160,196.80	26,160,196.80	100%	-
2017	26,601,357.99	26,601,357.99	100%	-
2018	27,337,343.04	27,337,343.04	100%	-
2019	27,859,301.04	27,859,301.04	100%	-
2020	28,364,647.99	28,364,647.99	100%	-

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Temporary Bond Anticipation Notes (BANs)	Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Net Pension Liability	Capital Leases			Capital Leases				
2011	9,080,000		341,791				9,421,791	0.50%	46,935	
2012	7,885,000		646,084				8,531,084	0.57%	48,771	
2013	6,655,000		611,250				7,266,250	0.68%	49,562	
2014	5,355,000	10,147,269	649,876				16,152,145	0.32%	51,473	
2015	3,985,000	10,147,269	535,907				14,668,176	0.37%	54,102	
2016	2,545,000	11,424,174	745,837		2,000,000		16,715,011	0.33%	55,995	
2017	1,095,000	12,272,633	940,503		11,000,000		25,308,136	0.23%	57,976	
2018	24,645,000	12,446,947	1,142,053				38,234,000	0.16%	60,877	
2019	23,745,000	12,187,280	1,115,566				37,047,846	0.16%	60,877	
2020	22,845,000	11,667,806	1,157,910				35,670,716	0.17%	60,877	

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	9,080,000		9,080,000	0.29%	46,935
2012	7,885,000		7,885,000	0.26%	48,771
2013	6,655,000		6,655,000	0.25%	49,562
2014	5,355,000		5,355,000	0.20%	51,473
2015	3,985,000		3,985,000	0.15%	54,102
2016	2,545,000		2,545,000	0.09%	55,995
2017	1,095,000		1,095,000	0.04%	57,976
2018	24,645,000		24,645,000	0.90%	60,877
2019	23,745,000		23,745,000	0.86%	60,877
2020	22,845,000		22,845,000	0.83%	60,877

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Bonded Debt and Loans,
As of December 31, 2019

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Middle	\$ 10,412,355.33	100.00%	\$ 10,412,355.33
Other Debt			
County of Cape May	299,738,867	5.13%	15,379,258.78
Subtotal, Overlapping Debt			25,791,614.11
Township of Middle School District Direct Debt			<u>22,845,000</u>
Total Direct and Overlapping Debt			<u>\$ 48,636,614</u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation.
 Debt outstanding data includes only permanent debt and was provided by each governmental unit.

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Exhibit J-13

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 125,690,402	\$ 122,160,954	\$ 117,268,017	\$ 112,158,757	\$ 108,439,724	\$ 105,703,315	\$ 105,168,997	\$ 104,868,356	\$ 106,238,675	\$ 108,674,050
Total net debt applicable to limit	9,080,000	7,885,000	6,655,000	5,355,000	3,985,000	2,545,000	1,095,000	24,645,000	23,745,000	22,845,000
Legal debt margin	\$ 116,610,402	\$ 114,275,954	\$ 110,613,017	\$ 106,803,757	\$ 104,454,724	\$ 103,158,315	\$ 104,073,997	\$ 80,223,356	\$ 82,493,675	\$ 85,829,050
Total net debt applicable to the limit as a percentage of debt limit	7.22%	6.45%	5.68%	4.77%	3.67%	2.41%	1.04%	23.50%	22.35%	21.02%

	2019	2018	2017
Equalized valuation basis	\$ 2,791,302,809	2,713,427,453	2,645,823,455
	\$ 8,150,553,717		
Average equalized valuation of taxable property	\$ 2,716,851,239		
Debt limit (4% of average)	108,674,050		
Net bonded school debt	22,845,000		
Legal debt margin	\$ 85,829,050		

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years

Exhibit J-14

Fiscal Year Ended June 30,	(a) Population	(b) Personal Income (thousands of dollars)	(c) * Per Capita Personal Income	(d) Unemployment Rate
2011	18,933	888,620,355	46,935	11.8%
2012	18,858	919,723,518	48,771	11.8%
2013	18,883	935,879,246	49,562	11.8%
2014	18,813	968,361,549	51,473	12.5%
2015	18,781	1,016,089,662	54,102	11.5%
2016	18,541	1,038,203,295	55,995	10.8%
2017	18,456	1,070,005,056	57,976	9.9%
2018	18,371	1,118,371,367	60,877	9.5%
2019	18,279	1,112,770,683	60,877	8.0%
2020	18,175	1,106,439,475	60,877	Not Available

* Income information is county wide

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
		1	0.00%			0.00%
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Totals	-		0.00%	-		0.00%

This Information is not available for this district.

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Exhibit J-16

Function/Object	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
100 101 Teachers - General Fund	199.0	210.0	210.0	201.0	196.0	204.7	205.7	205.7	206.7	208.7
100 101 Teachers - Special Revenue Funds	33.0	12.0	12.0	14.0	14.0	12.1	12.1	12.1	12.1	20.1
100 106 Classroom Aides - General Fund	13.0	32.0	32.0	32.0	32.0	21.2	23.0	23.0	23.0	23.0
100 106 Classroom Aides - Special Revenue Funds	17.8	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	18.0
211 100 Attendance & Social Work										
213 100 Health Services	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
216 100 Related Services										
217 100 Extraordinary Services	25.0	38.0	42.0	45.0	45.0	46.2	45.0	45.0	42.0	42.0
218 104 Guidance - Professional	8.0	8.0	8.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
218 105 110 Guidance - Support	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
219 104 Child Study Team	10.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	13.0
219 105 110 Child Study Team - Support	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
221 102 104 Supervisors & Other Professionals										
221 105 110 Improvement of Instruction - Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
222 100 Media Services/Technology	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
223 102 104 Professional Development - Professionals										
223 105 110 Professional Development - Support										
230 100 General District Administrators	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
230 100 Gen. Administration - Professionals										
230 100 Gen. Administration - Support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
240 103 Principals/Assistant Principals	7.0	7.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	9.0
240 104 School Admin. - Other Professionals										
240 105 110 School Admin. - Support	15.0	15.0	14.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0
251 100 Central Services - Administrators										
251 100 Central Services - Professionals										
251 100 Central Services - Support										
252 100 Admin. Information Technology Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
26X 100 Oper. & Maint. - Security Guards	6.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0
26X 100 Operation & Maintenance - Other	30.0	30.0	30.0	29.0	29.0	29.0	29.0	29.0	30.0	30.0
270 160 163 Transportation	49.0	58.0	62.0	60.0	60.0	60.0	60.0	60.0	61.0	61.0
290 100 Other Support - Administrators										
290 100 Other Support - Professionals										
290 100 Other Support - Support										
200 102 104 Sup. & Other Prof. Staff - Special Revenue										2.0
200 105 110 Support - Special Revenue										
200 103 Directors - Special Revenue										
Various - Other										
	<u>431.8</u>	<u>459.0</u>	<u>467.0</u>	<u>458.0</u>	<u>451.0</u>	<u>449.1</u>	<u>450.8</u>	<u>450.8</u>	<u>449.8</u>	<u>478.8</u>

Source: District Personnel Records

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2011	2,793	42,074,225	15,064	-0.82%	192	1:18.4	1:11.0	1:11.1	2,776	2,542	-2.49%	91.57%
2012	2,684	42,999,633	16,021	6.35%	222	1:16.2	1:11.0	1:11.2	2,681	2,492	-3.42%	92.95%
2013	2,658	45,200,650	17,006	6.15%	222	1:15.2	1:10.7	1:9.71	2,620	2,436	-2.28%	92.98%
2014	2,514	46,101,587	18,338	7.84%	215	1:17.1	1:9.9	1:9.04	2,514	2,350	-4.05%	93.48%
2015	2,469	45,607,537	18,472	0.73%	201	1:13.8	1:12.2	1:10.4	2,469	2,311	-1.79%	93.60%
2016	2,484	47,383,002	19,075	3.27%	204	1:12.2	1:12.2	1:10.6	2,484	2,325	0.61%	93.60%
2017	2,518	48,022,199	19,072	-0.02%	205	1:12.7	1:12.5	1:10.8	2,518	2,364	1.37%	93.88%
2018	2,448	49,565,835	20,247	6.17%	205	1:12.4	1:11.3	1:10.7	2,448	2,297	-2.78%	93.83%
2019	2,469	52,686,870	21,339	5.39%	206	1:13.1	1:11.9	1:10.9	2,469	2,316	0.86%	93.80%
2020	2,529	52,622,094	20,807	-2.49%	210	1:12.1	1:11.9	1:10.9	2,529	2,419	2.43%	95.65%

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Buildings</u>										
<u>Elementary</u>										
Elementary #1										
Square Feet	70,820	70,820	70,820	70,820	70,820	70,820	70,820	86,550	86,550	86,550
Capacity (students)	692	692	692	692	692	692	692	692	832	832
Enrollment	698	680	674	664	688	714	709	655	660	663
Elementary #2										
Square Feet	87,674	87,674	87,674	87,674	87,674	87,674	87,674	87,674	87,674	87,674
Capacity (students)	625	625	625	625	625	625	625	625	625	625
Enrollment	560	566	558	517	527	526	525	542	560	559
<u>Middle School</u>										
Square Feet	88,369	88,369	88,369	88,369	88,369	88,369	88,369	88,369	88,369	88,369
Capacity (students)	617	617	617	617	617	617	617	617	617	617
Enrollment	565	549	574	572	549	543	538	537	528	552
<u>High School</u>										
Square Feet	176,891	176,891	176,891	176,891	176,891	176,891	176,891	176,891	176,891	176,891
Capacity (students)	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116	1,116
Enrollment	952	887	815	761	705	701	745	714	721	755
<u>Other</u>										
Administration										
Square Feet	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760
Transportation Office										
Square Feet	900	900	900	900	900	900	900	900	-	-
Transportation Garage										
Square Feet	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	12,134	12,134

Number of Schools at June 30, 2020

- Elementary - 2
- Middle - 1
- High School - 1
- Other - 3

Source: District Records, ASSA

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance for School Facilities,
 Last Ten Fiscal Years
 (Unaudited)

Undistributed Expenditures - Allowable Maintenance for School Facilities

School Facilities	Project # (s)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary #1	\$	27,546	169,170	156,584	77,596	99,390	76,575	109,998	149,283	258,239	240,970
Elementary #2		13,850	125,844	242,592	77,694	68,810	910,612	188,567	105,865	110,701	108,539
Elementary #4		39,808	33,529	114,966	923,574	76,035	33,545	98,366	82,261	125,350	265,140
High School		47,531	90,904	262,019	943,384	129,930	199,001	249,492	252,784	334,982	386,379
Total School Facilities		128,735	419,447	776,161	2,022,248	374,165	1,219,733	646,423	590,193	829,272	1,001,028
Other Facilities		2,943	3,737	11,001	24,534	98,055	6,772	46,736	23,332	673,384	179,419
Grand Total	\$	131,678	423,184	787,162	2,046,782	472,220	1,226,505	693,159	613,525	1,502,656	1,180,447

Source: District Records

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2020
(Unaudited)

Exhibit J-20

	Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
A. Limit of Liability	175,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible, per occurrence		500
Perils Included	"All Risk"	
B. Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
A. Limit of Liability	125,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		1,000
Crime		
A. Limit of Liability	500,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		500
General and Automobile Liability		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Workers' Compensation		
A. Limit of Liability	Statutory	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Educator's Legal Liability		
A. Limit of Liability	20,000,000	
ACCASBOJIF Self Insured Retention	250,000	
Members District Deductible		None
Pollution Legal Liability/Mold Legal Liability		
A. Limit of Liability	3,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible - Pollution Incident		25,000
Members District Deductible - Mold Incident		\$100,000 - \$250,000
Cyber Liability		
A. Limit of Liability	2,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		10,000
Violent Malicious Acts		
A. Limit of Liability	1,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		15,000
Disaster Management Services		
A. Limit of Liability	2,000,000	
ACCASBOJIF Self Insured Retention	None	
Members District Deductible		15,000

Source: District Records (Coverage is through the Atlantic & Cape May Counties Association of School Business Officials Joint Insurance Fund (ACCASBOJIF))

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Single Audit Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable President and
Members of the Board of Education
Township of Middle School District
County of Cape May
Township of Middle, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Middle School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Township of Middle School District's basic financial statements, and have issued our report thereon dated January 18, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

January 18, 2021



FORD - SCOTT

& ASSOCIATES, L.L.C.

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K-2 Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance required by *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08

The Honorable President and
Members of Board of Education
Township of Middle School District
County of Cape May

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Middle School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Township of Middle School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Program

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedules of Expenditures of Federal Awards Required by the Uniform Guidance and Expenditures of State Financial Assistance Required by NJ OMB 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the Township of Middle School District as of and for the year ended June 30, 2020, and have issued our report thereon dated January 18, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello
Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

January 18, 2021

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2020

Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Program or Award Amount	Balance June 30, 2019	Carryover/Amount	Cash Received	Source Pass Through	Direct	Total	(MEMO) Passed Through to Sub-Recipients	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2020	Unearned Revenue	Due to Grantor
U.S. Department of Education																	
General Fund																	
National Assistance (SEMI) Program																	
88.778	2005NJBMAP	N/A	7/1/2019 - 6/30/2020	\$ 67,465.91	-	-	67,465.91	(67,465.91)	-	(67,465.91)	-	-	-	-	-	-	-
Total General Fund																	
U.S. Department of Education																	
Passed-Through State																	
Department of Education																	
Special Revenue Fund:																	
Child Nutrition Cluster:																	
84.010A	S010A180030	ESEA-3130-19	7/1/2019 - 6/30/2020	708,110.00	(302,284.00)	-	302,794.00	(602,763.75)	-	(602,763.75)	(0.25) A	-	-	(253,642.00)	-	-	-
84.010A	S010A180030	ESEA-3130-20	7/1/2019 - 6/30/2020	657,208.00	-	-	343,122.00	(12,996.50)	-	(12,996.50)	0.50 A	-	-	(989.00)	-	-	-
84.010A	S010A180030	ESEA-3130-20	7/1/2019 - 6/30/2020	50,535.00	-	-	12,596.00	(12,205.91)	-	(12,205.91)	(0.09) A	-	-	0.00	-	-	-
84.010A	S010A180030	ESEA-3130-20	7/1/2019 - 6/30/2020	14,422.00	(302,784.00)	-	676,718.00	(627,985.16)	-	(627,985.16)	0.1E	-	-	(254,041.00)	-	-	-
Total Title I - Part A Cluster																	
Elementary and Secondary Education Act (ESEA):																	
84.367A	S367A180029	ESEA-3130-19	7/1/2019 - 6/30/2019	100,917.00	(47,174.00)	-	47,174.00	-	-	-	-	-	-	-	-	-	-
84.367A	S367A180029	ESEA-3130-20	7/1/2019 - 9/30/2020	86,262.00	-	-	54,323.00	(86,268.16)	-	(86,268.16)	0.16 A	-	-	(33,935.00)	-	-	-
84.365A	S365A180030	ESEA-3130-19	7/1/2019 - 6/30/2019	32,336.00	(7,261.00)	-	7,261.00	-	-	-	-	-	-	-	-	-	-
84.365A	S365A180030	ESEA-3130-20	7/1/2019 - 6/30/2020	34,201.00	-	-	21,625.00	(25,202.79)	-	(25,202.79)	(0.21) A	-	-	(3,678.00)	-	-	-
84.424A	S424A180031	ESEA-3130-19	7/1/2019 - 6/30/2019	44,202.00	(14,865.00)	-	14,865.00	-	-	-	-	-	-	-	-	-	-
84.424A	S424A180031	ESEA-3130-20	7/1/2019 - 9/30/2020	44,927.00	(69,300.00)	-	159,698.00	(127,900.95)	-	(127,900.95)	(0.05)	-	-	(37,513.00)	-	-	-
Total Elementary and Secondary Education Act (ESEA)																	
Special Education Cluster:																	
84.037A	H027A180100	IDEA-3130-19	7/1/2019 - 6/30/2019	629,070.00	(14,255.00)	-	144,255.00	-	-	-	-	-	-	-	-	-	-
84.037A	H027A180100	IDEA-3130-20	7/1/2019 - 9/30/2020	636,645.00	-	-	484,272.00	(636,645.00)	-	(636,645.00)	-	-	-	(142,373.00)	-	-	-
84.173A	H173A180114	IDEA-3130-19	7/1/2019 - 6/30/2019	27,792.00	(6,176.00)	-	6,176.00	-	-	-	-	-	-	-	-	-	-
84.173A	H173A180114	IDEA-3130-20	7/1/2019 - 9/30/2020	28,177.00	(150,431.00)	-	21,915.00	(28,177.00)	-	(28,177.00)	-	-	-	(6,982.00)	-	-	-
Total Special Education Cluster																	
84.539C	S595C190005	N/A	7/1/2019 - 6/30/2019	31,922.00	-	-	31,922.00	-	-	(31,922.00)	-	-	-	-	-	-	-
84.425D	S425D200027	N/A	3/1/2020 - 9/30/2022	509,100.00	-	-	-	(6,952.00)	-	(6,952.00)	-	-	-	(8,952.00)	-	-	-
Temporary Emergency/Impact Aid for Displaced Students																	
Cares Emergency/Relief Grant																	
Total Special Revenue Fund																	
U.S. Department of Agriculture																	
Passed-Through State Dept. of Education:																	
Elementary and Secondary Education:																	
Child Nutrition Program:																	
10.555	201NJB04N1099	N/A	7/1/2019 - 6/30/2020	48,789.41	-	-	48,789.41	(48,789.41)	-	(48,789.41)	-	-	-	-	-	-	-
10.553	191NJB04N1099	N/A	7/1/2019 - 6/30/2019	100,179.96	(5,753.40)	-	5,753.40	-	-	-	-	-	-	-	-	-	-
10.553	201NJB04N1099	N/A	7/1/2019 - 6/30/2020	174,132.38	-	-	141,440.38	(174,132.38)	-	(174,132.38)	-	-	-	(32,692.00)	-	-	-
10.555	191NJB04N1099	N/A	7/1/2019 - 6/30/2019	423,217.83	(23,272.90)	-	23,272.90	-	-	-	-	-	-	-	-	-	-
10.555	201NJB04N1099	N/A	7/1/2019 - 6/30/2020	475,387.89	(29,026.30)	-	593,854.57	(649,300.27)	-	(649,300.27)	-	-	-	(52,010.00)	-	-	-
Total Child Nutrition Program Cluster																	
Total Enterprise Fund																	
Total Federal Financial Awards																	
(A) Transfer to General Fund																	

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Table with columns: State Grantor/Program Title, Grant or State Project Number, Grant Period, Program or Award Amount, Balance at June 30, 2019 (Unearned Revenue, Cash Received), Carryover Amount, Due to Grantor, Cash Received, Budgetary Expenditures, Adjustment/Repayment of Prior Years Balances, (Accounts Receivable), Unearned Revenue, Due to Grantor, Budgetary Receivable, Cumulative Total Expenditures.

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

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2020

K-5

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Education, Township of Middle 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 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. The District has elected not to use the 10% de minimis indirect cost rate.

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 last state aid payment 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 last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid 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 (\$50,608.50) for the general fund and (\$268,667.56) for the Special Revenue Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>On-Behalf Payments</u>	<u>Total</u>
General Fund	\$ 67,465.91	19,129,624.98	(4,708,191.00)	14,488,899.89
Special Revenue Fund	1,461,562.11	2,097,775.08		3,559,337.19
Debt Service Fund		126,392.00		126,392.00
Food Service Fund	699,289.68	11,219.57		710,509.25
Total Financial Award Revenues	<u>\$ 2,228,317.70</u>	<u>21,365,011.63</u>	<u>(4,708,191.00)</u>	<u>18,885,138.33</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

TOWNSHIP OF MIDDLE SCHOOL DISTRICT
Notes to the Schedules of Financial Assistance
June 30, 2020
(Continued)

K-5

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the 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, 2020. 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 6: Adjustments

Both favorable and unfavorable differences incurred as a result of final grant payments being rounded by the grantor and are included in the schedule(s) of financial assistance in a column entitled "Adjustments."

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2020**

K-6

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified Opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiencies identified? _____ Yes X None reported
- Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- 1) Material weakness(es) identified? _____ Yes X No
- 2) Significant deficiencies identified? _____ Yes X None reported

Type of auditor’s report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	H027A190100	<u>Special Education Cluster:</u>
84.173A	H173A190114	I.D.E.A. Part B, Basic
		I.D.E.A. Part B, Preschool

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

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

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2020
(CONTINUED)**

K-6

State Awards

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

Auditee qualified as low-risk auditee? X Yes No

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Internal Control over major programs:

1) Material weakness(es) identified? Yes X No

2) Significant deficiencies identified? Yes X None reported

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-078	State Aid Public Cluster:
495-034-5120-089	Equalization Aid
495-034-5120-084	Special Education Aid
495-034-5120-068	Security Aid
495-034-5120-085	School Choice Aid
	Adjustment Aid
495-034-5120-014	Transportation Aid
495-034-5120-086	Preschool Education Aid

**TOWNSHIP OF MIDDLE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2020
(CONTINUED)**

K-6

Section II – Financial Statement Findings

In accordance with *Government Auditing Standards*, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

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

FEDERAL AWARDS

Our audit disclosed no matters to be reported.

STATE AWARDS

Our audit disclosed no matters to be reported.

STATUS OF PRIOR YEAR FINDINGS

FEDERAL AWARDS

Our audit disclosed no matters to be reported.

STATE AWARDS

Finding 2019-2:

Payment for out of state travel by an employee was not approved prior to the completion of the travel event.

Current Year Status:

Condition no longer exists.