

**SUSSEX-WANTAGE REGIONAL
SCHOOL DISTRICT**

**Sussex-Wantage Regional School District
Sussex, New Jersey**

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

**Comprehensive Annual
Financial Report**

of the

**Sussex-Wantage Regional School District
Board of Education**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

**Sussex-Wantage Regional School District
Board Office**

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INTRODUCTORY SECTION
(UNAUDITED)

BOARD OF EDUCATION
SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

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Sussex, NJ 07461
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SUPERINTENDENT
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CHRISTINA M. RIKER
BUSINESS ADMINISTRATOR
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BRENDA VANWARNER
ADMINISTRATIVE ASSISTANT

NANCY SISTO
ADMINISTRATIVE ASSISTANT

December 15, 2020

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
County of Sussex
Sussex, New Jersey

Dear Honorable President and Board Members:

The comprehensive annual financial report of the Sussex-Wantage Regional 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 Sussex-Wantage Regional School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Sussex-Wantage Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) in Codification Section 2100. All funds of the District are included in this report. The Sussex-Wantage Regional Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an average daily enrollment of 1,041 students, an increase of 4 students from the previous year's enrollment.

(2) ECONOMIC CONDITION AND OUTLOOK: The economic condition of the municipalities comprising the District continues to be influenced by the slow population growth. There was a net decline in ratables in Sussex Borough this past year. The percentage of commercial ratables to the total ratables is considerably less than in most areas in the State of New Jersey. There is no prospect of change neither in this fact, nor in the DE rating of the District.

(3) MAJOR INITIATIVES: The total amount of State Aid for the 2019-2020 school year decreased (\$462,378) from the level of the 2018-2019 funding. Despite this, the District was able to maintain class sizes across all grade levels.

The District continued to provide a continuum of in-house services to students with special needs, continued a pull-out Basic Skills program, a Gifted and Talented program, and maintained small class sizes throughout the District. The District continued to incorporate the teaming model at the Middle School in all three grades and the STEAM cycle continues to evolve into all areas of Science, Math, Engineering, Arts and Technology. Delivery of classes in STEAM are being examined to keep pace with the changing technologies and student interests. This year, the District expanded on the adopting of a unified K-8 math series called Big Ideas Math to coordinate and align math instruction from Kindergarten through Eighth Grade by also providing small group and one on one professional development. The District continued its use of digital formative assessments in Math and Language Arts through the NWEA Measures of Academic Progress (MAPs) Assessment in grades K-8. Students are tested multiple times per year and teachers use the data collected to design and implement targeted instruction according to the standards. Students in grades 3-8 are fully immersed in a 1:1 Google Chromebook environment. This program is in its sixth year. The District continued to offer Spanish to all students in grades K-8. Professional development in the District focused on mathematics instructional strategies and benchmarks and Google Apps for Education to continue to create a blended learning environment for our students. Training was offered through a combination of job-embedded workshops with experienced consultants, off-site workshops, and on-site training during professional days provided by our own knowledgeable staff. In-house training was also continued in Crisis Prevention Institute (CPI) to help create a safe, humanistic learning environment for at-risk students. Parent academy workshops were offered throughout the year to help parents' understanding of student assessment, social-emotional learning, educational technology, and assessments. These meetings were coordinated with our Parent Teacher Organization and occurred in conjunction with their meetings.

4) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

5) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

6) 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 a vote of the Board of Education. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2020.

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

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

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
Page 4
December 15, 2020

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

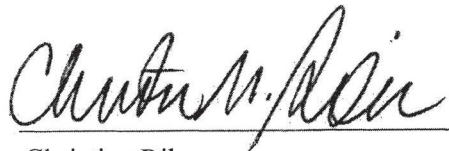
The auditors’ report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors’ reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Sussex-Wantage Regional School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

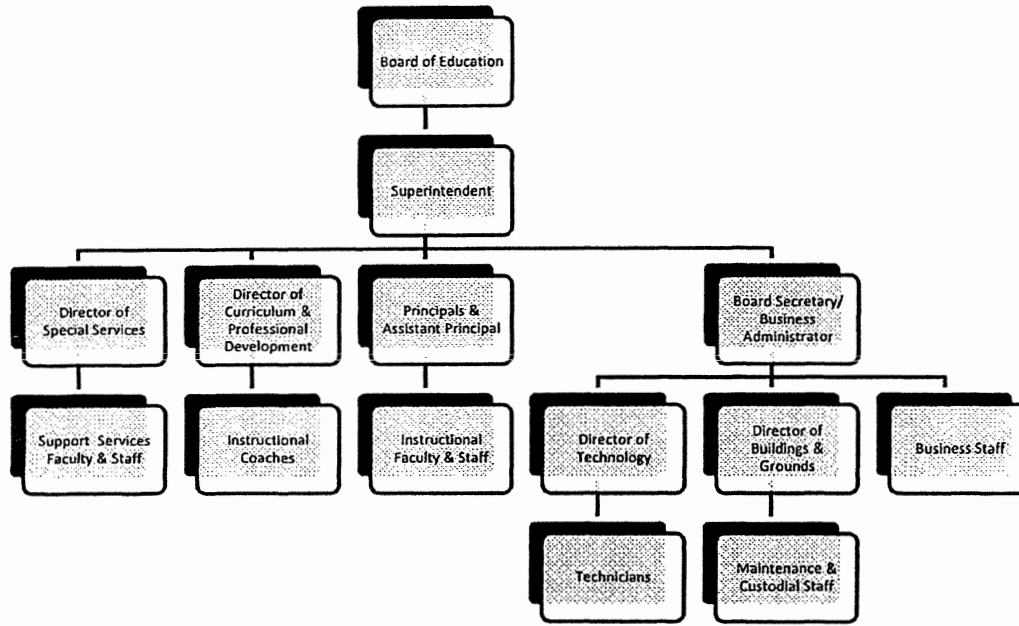


Michael Gall
Superintendent of Schools



Christina Riker
Business Administrator/Board Secretary

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
Organizational Chart
(Unit Control)



**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Nicholas D'Agostino, President	2020
Coleen Ranzan, Vice President	2022
Jenny Craig	2021
Robert Heiden	2020
Ross Juliano	2022
Kenneth Nuss	2020
Megan Steele	2021
Georgeanna Stoll	2022
Dorothy Witte	2021

Other Officers

Title

Michael Gall	Superintendent
Christina Riker	Business Administrator/Board Secretary
Grant W. Rome, Treasurer	Treasurer

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC
7 James Street
Florham Park, NJ 07932

Official Depository

Lakeland Bancorp Inc.
250 Oak Ridge Road
Oak Ridge, NJ 07438-8906

Architect

Parette Somjen Architects, LLC
439 Route 46 East
Rockaway, NJ 07866

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, 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 Board of Education of Sussex-Wantage Regional School District (the "District") in the County of Sussex, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage Regional School District, 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 management's discussion and analysis, which follows this report, the pension and post-employment benefit schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state 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*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
Page 3

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

The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

December 15, 2020
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This section of the Sussex-Wantage Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of the School District's Financial Report**

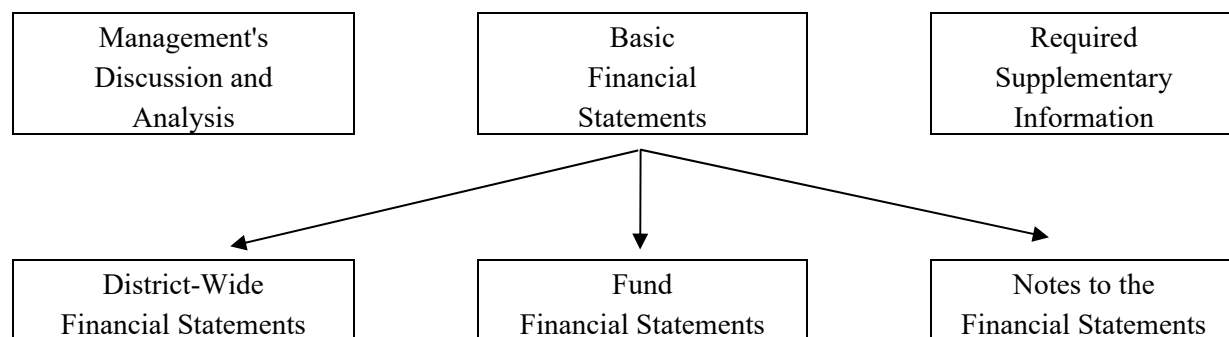


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and the Care Program	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

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

Notes to the Basic Financial Statements:

Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District’s combined net position increased by \$1,714,391. Net position from governmental activities increased by \$1,760,262 and net position from business-type activities decreased by \$45,871. Net investment in capital assets increased by \$483,392, restricted net position increased by \$948,945, and unrestricted net position increased by \$282,054.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	Change 2019/2020
Assets:							
Current and							
Other Assets	\$ 6,341,508	\$ 4,923,112	\$ 206,447	\$ 304,777	\$ 6,547,955	\$ 5,227,889	
Capital Assets, Net	6,709,860	6,247,652	72,849	51,665	6,782,709	6,299,317	
Total Assets	13,051,368	11,170,764	279,296	356,442	13,330,664	11,527,206	15.65%
Deferred Outflows of Resources	1,049,168	1,528,373			1,049,168	1,528,373	-31.35%
Liabilities:							
Other Liabilities	825,548	497,599	24,571	55,846	850,119	553,445	
Long-Term Liabilities	6,267,558	6,866,556			6,267,558	6,866,556	
Total Liabilities	7,093,106	7,364,155	24,571	55,846	7,117,677	7,420,001	-4.07%
Deferred Inflows of Resources	2,366,906	2,454,720			2,366,906	2,454,720	-3.58%
Net Position:							
Investment in							
Capital Assets	6,709,860	6,247,652	72,849	51,665	6,782,709	6,299,317	
Restricted	4,781,680	3,832,735			4,781,680	3,832,735	
Unrestricted/(Deficit)	(6,851,016)	(7,200,125)	181,876	248,931	(6,669,140)	(6,951,194)	
Total Net Position	\$ 4,640,524	\$ 2,880,262	\$ 254,725	\$ 300,596	\$ 4,895,249	\$ 3,180,858	53.90%

Changes in Net Position. The District’s combined net position was \$4,895,249 on June 30, 2020, an increase of \$1,714,391 or 53.90% more than it was the year before (See Figure A-3). Net Investment in Capital Assets increased by \$483,392 due to the \$1,085,054 of current year capital assets additions offset by the \$601,662 of depreciation expense. Restricted net position increased by \$948,945 due to the \$500,000 Board transfer to Capital Reserve, the \$324,612 unexpended balance of the budgeted withdrawal from capital reserve and increase in excess surplus of \$904,333, offset by the budgeted withdrawal from Capital Reserve of \$780,000. The unrestricted net position increased by \$282,054 due primarily to the change in pension related deferred inflows and outflows, the increase in unexpended budget appropriations, as well as the decrease in net pension liability, offset by the net decrease in year-end encumbrances.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2019/2020	Business- Type Activities 2019/2020	Governmental Activities 2018/2019	Business- Type Activities 2018/2019	Total School District 2019/2020	Total School District 2018/2019	Percentage Change 2019/2020
Revenue:							
Program Revenue:							
Charges for Services	\$ 128,525	\$ 204,130	\$ 125,301	\$ 296,214	\$ 332,655	\$ 421,515	
Operating Grants and Contributions	7,358,349	150,898	9,161,556	173,333	7,509,247	9,334,889	
General Revenue:							
Property Taxes	15,800,221		15,232,726		15,800,221	15,232,726	
Unrestricted State and Federal Aid	5,528,615		5,971,294		5,528,615	5,971,294	
Other	167,660	1,457	66,418	322	169,117	66,740	
Total Revenue	28,983,370	356,485	30,557,295	469,869	29,339,855	31,027,164	-5.44%
Expenses:							
Instruction	15,891,620		17,696,511		15,891,620	17,696,511	
Pupil and Instruction Services	4,362,831		5,119,113		4,362,831	5,119,113	
Administrative and Business	2,215,021		2,519,961		2,215,021	2,519,961	
Maintenance and Operations	2,011,461		2,323,621		2,011,461	2,323,621	
Transportation	1,529,080		1,837,694		1,529,080	1,837,694	
Capital Outlay	17,335		105,405		17,335	105,405	
Other	1,198,929	402,356	1,222,431	510,640	1,601,285	1,733,071	
Total Expenses	27,226,277	402,356	30,824,736	510,640	27,628,633	31,335,376	-11.83%
Other Item:							
Cancellation of Prior Year Interfund/Accounts Payable	3,169		77,000		3,169	77,000	-95.88%
Increase/(Decrease) in Net Position	\$ 1,760,262	\$ (45,871)	\$ (190,441)	\$ (40,771)	\$ 1,714,391	\$ (231,212)	841.48%

Governmental Activities

The financial position of the District increased significantly in the current year. However, maintaining existing programs for regular pupil enrollment and the provision of special programs and services for disabled pupils place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District’s taxpayers by each of the following functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2019/2020</u>	<u>2019/2020</u>	<u>2018/2019</u>	<u>2018/2019</u>
Instruction	\$ 15,891,620	\$ 10,518,487	\$ 17,696,511	\$11,493,506
Pupil and Instruction Services	4,362,831	3,392,671	5,119,113	3,557,740
Administrative and Business	2,215,021	2,030,775	2,519,961	2,139,976
Maintenance and Operations	2,011,461	1,948,580	2,323,621	2,154,757
Transportation	1,529,080	632,626	1,837,694	864,064
Capital Outlay	17,335	17,335	105,405	105,405
Other	1,198,929	1,198,929	1,222,431	1,222,431
	<u>\$ 27,226,277</u>	<u>\$ 19,739,403</u>	<u>\$ 30,824,736</u>	<u>\$ 21,537,879</u>

Business-Type Activities

The District’s business-type activities decreased by \$45,871. The decrease is due primarily to the decrease in Food Service Fund daily sales not offset by a decrease in operating expenses. Additionally, there was an operating loss in the Care Program due primarily to a decrease in child care fees, not offset by a decrease in operating expenses. The decrease in daily sales and program fees is due to the elimination of this revenue due to the COVID-19 shutdown of schools from mid-March through the end of the school year in June.

Financial Analysis of the District’s Funds

The District’s financial position increased significantly in the current year primarily due to fund balance utilized to support the budget offset by unexpended budget appropriations in the General Fund. As the number of low-income students rises, so do the expenditures related to meeting their additional needs. Difficult economic times have had a direct impact upon the District’s revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The budget was amended for transfers to prevent over-expenditures of specific line item accounts.

Capital Asset and Long-Term Liabilities

Figure A-6

	Capital Assets (Net of Depreciation)						Percentage Change 2019/2020
	Government Activities		Business-Type Activities		Total School District		
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	
Buildings and Building Improvements	\$ 4,857,524	\$ 5,178,951			\$ 4,857,524	5,178,951	
Site Improvements	1,221,218	792,183			1,221,218	792,183	
Machinery and Equipment	631,118	276,518	\$ 72,849	\$ 51,665	703,967	328,183	
Total Capital Assets (Net of Depreciation)	<u>\$ 6,709,860</u>	<u>\$ 6,247,652</u>	<u>\$ 72,849</u>	<u>\$ 51,665</u>	<u>\$ 6,782,709</u>	<u>\$ 6,299,317</u>	7.67%

During the current fiscal year, the District had capital additions of \$1,085,054 and depreciated \$601,662 of its capital assets.

Long-term Liabilities

At year-end, the District had \$6,267,558 in long-term liabilities outstanding – a decrease of \$598,998 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

	Total School District		Percentage Change
	2019/2020	2018/2019	
	Net Pension Liability	\$ 5,601,388	
Compensated Absences Payable	666,170	685,706	
Total Long-Term Liabilities	<u>\$ 6,267,558</u>	<u>\$ 6,866,556</u>	-8.72%

The District’s long-term liabilities decreased \$598,998 or 8.72% due to the decrease in net pension liability of \$579,462 and the decrease in compensated absences payable of \$19,536.

Factors Bearing on the District’s Future

The Sussex-Wantage Regional School District remains financially stable even with continued uncertainty in State funding and the long-lasting effects of the COVID-19 pandemic that began in mid-March 2020. The District has and will continue to maintain programs and class size despite the uncertainty.

The district will continue to look at ways to contain and cut costs, in addition to, working to ensure the health, safety and well-being of our students and staff.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and creditors with a general overview of the School District’s finances and to reflect the School District’s accountability for the money it receives. Questions about this report or additional financial information needs should be directed to Christina Riker, School Business Administrator, Sussex-Wantage Regional Board of Education, 27 Bank Street, Sussex, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,657,932	\$ 254,460	\$ 3,912,392
Interfund Receivable	44,176		44,176
Internal Balances	85,623	(85,623)	
Receivables from State Government	701,398	83	701,481
Receivables from Federal Government	174,109	8,548	182,657
Receivables from Other Governments	50		50
Other Accounts Receivable	52,192	8,390	60,582
Inventories		20,589	20,589
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	1,623,184		1,623,184
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	6,709,860	72,849	6,782,709
Total Assets	<u>13,048,524</u>	<u>279,296</u>	<u>13,327,820</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows Related to Pensions	1,049,168		1,049,168
Total Deferred Outflows of Resources	<u>1,049,168</u>		<u>1,049,168</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	506,706	10,194	516,900
Payable to State Government	276,619		276,619
Payable to Federal Government	4,049		4,049
Unearned Revenue	35,330	14,377	49,707
Noncurrent Liabilities:			
Due Within One Year	36,798		36,798
Due Beyond One Year	6,230,760		6,230,760
Total Liabilities	<u>7,090,262</u>	<u>24,571</u>	<u>7,114,833</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows Related to Pensions	2,366,906		2,366,906
Total Deferred Inflows of Resources	<u>2,366,906</u>		<u>2,366,906</u>
<u>NET POSITION</u>			
Investment in Capital Assets	6,709,860	72,849	6,782,709
Restricted for:			
Capital Reserve	1,623,184		1,623,184
Excess Surplus	3,158,496		3,158,496
Unrestricted/(Deficit)	<u>(6,851,016)</u>	<u>181,876</u>	<u>(6,669,140)</u>
Total Net Position	<u>\$ 4,640,524</u>	<u>\$ 254,725</u>	<u>\$ 4,895,249</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 8,805,516	\$ 51,489	\$ 2,141,115	\$ (6,664,401)		\$ (6,664,401)
Special Education	6,246,371		3,008,759	(3,186,123)		(3,186,123)
Other Special Instruction	591,227		80,137	(511,090)		(511,090)
School Sponsored	248,506		91,633	(156,873)		(156,873)
Support Services:						
Tuition	447,102		162,864	(284,238)		(284,238)
Student and Instruction Related Services	3,915,729		807,296	(3,108,433)		(3,108,433)
General Administrative Services	618,748		15,763	(602,985)		(602,985)
School Administrative Services	920,969		140,063	(780,906)		(780,906)
Central Services	431,094		21,266	(409,828)		(409,828)
Administrative Information Technology	244,210		7,154	(237,056)		(237,056)
Plant Operations and Maintenance	2,011,461		62,881	(1,948,580)		(1,948,580)
Pupil Transportation	1,529,080	77,036	819,418	(632,626)		(632,626)
Unallocated Depreciation	481,399			(481,399)		(481,399)
Transfer of Funds to Charter School	717,530			(717,530)		(717,530)
Capital Outlay	17,335			(17,335)		(17,335)
Total Governmental Activities	27,226,277	128,525	7,358,349	(19,739,403)		(19,739,403)
Business-Type Activities:						
Food Service	288,190	99,457	150,898		\$ (37,835)	(37,835)
Care Program	114,166	104,673			(9,493)	(9,493)
Total Business-Type Activities	402,356	204,130	150,898		(47,328)	(47,328)
Total Primary Government	\$ 27,628,633	\$ 332,655	\$ 7,509,247	(19,739,403)	(47,328)	(19,786,731)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 15,800,221		\$ 15,800,221
Federal and State Aid not Restricted	5,528,615		5,528,615
Interest Earnings		\$ 1,457	1,457
Miscellaneous Income	167,660		167,660
Other Item - Cancellation of Prior Year Accounts Payable	3,169		3,169
Total General Revenues and Other Item	21,499,665	1,457	21,501,122
Change in Net Position	1,760,262	(45,871)	1,714,391
Net Position - Beginning	2,880,262	300,596	3,180,858
Net Position - Ending	\$ 4,640,524	\$ 254,725	\$ 4,895,249

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,476,734	\$ 153,561	\$ 27,637	\$ 3,657,932
Interfund Receivable	129,799			129,799
Receivables From State Government	670,002	31,396		701,398
Receivables From Federal Government		174,109		174,109
Receivables From Other Governments	50			50
Other Accounts Receivable	52,192			52,192
Restricted Cash and Cash Equivalents	1,623,184			1,623,184
Total Assets	<u>\$ 5,951,961</u>	<u>\$ 359,066</u>	<u>\$ 27,637</u>	<u>\$ 6,338,664</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 129,773	\$ 43,518		\$ 173,291
Payable to State Government		276,619		276,619
Payable to Federal Government		4,049		4,049
Unearned Revenue	450	34,880		35,330
Total Liabilities	<u>130,223</u>	<u>359,066</u>		<u>489,289</u>
Fund Balances:				
Restricted:				
Excess Surplus - Restricted for 2021-2022	2,366,827			2,366,827
Excess Surplus - Restricted for 2020-2021	791,669			791,669
Capital Reserve Account	1,623,184			1,623,184
Committed			\$ 27,637	27,637
Assigned:				
Year-end Encumbrances	374,589			374,589
Designated for Subsequent Year's Expenditures	318,921			318,921
Unassigned	346,548			346,548
Total Fund Balances	<u>5,821,738</u>		<u>27,637</u>	<u>5,849,375</u>
Total Liabilities and Fund Balances	<u>\$ 5,951,961</u>	<u>\$ 359,066</u>	<u>\$ 27,637</u>	<u>\$ 6,338,664</u>

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Fund Balances at June 30, 2020	\$ 5,849,375
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	6,709,860
Long-Term Liabilities, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(666,170)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

Total
Governmental
Funds

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.

\$ (5,601,388)

Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:

Deferred Outflows
Deferred Inflows

715,753
(2,366,906)

Net Position of Governmental Activities

\$ 4,640,524

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL
STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 15,800,221			\$ 15,800,221
Tuition	51,489			51,489
Transportation Fees	77,036			77,036
Miscellaneous	167,660			167,660
Total - Local Sources	16,096,406			16,096,406
State Sources	11,304,210	\$ 73,161		11,377,371
Federal Sources	79,212	487,047		566,259
Total Revenues	27,479,828	560,208		28,040,036
EXPENDITURES:				
Current:				
Regular Instruction	5,080,015	144,462		5,224,477
Special Education Instruction	3,520,551	111,234		3,631,785
Other Special Instruction	455,167			455,167
School-Sponsored	76,406			76,406
Support Services and Undistributed Costs:				
Tuition	301,288	145,814		447,102
Student and Other Instruction Related Services	2,398,299	158,698		2,556,997
General Administrative Services	506,792			506,792
School Administrative Services	575,206			575,206
Central Services	310,822			310,822
Administrative Information Technology	203,828			203,828
Plant Operations and Maintenance	1,652,670			1,652,670
Student Transportation	1,354,390			1,354,390
Unallocated Benefits	8,140,627			8,140,627
Capital Outlay	1,067,930			1,067,930
Transfer of Funds to Charter School	717,530			717,530
Total Expenditures	26,361,521	560,208		26,921,729
Excess of Revenue Over Expenditures	1,118,307			1,118,307
Other Financing Sources:				
Cancellation of Prior Year Accounts Payable	3,169			3,169
Total Other Financing Sources	3,169			3,169
Excess of Revenue and Other Financing Sources Over Expenditures	1,121,476			1,121,476
Fund Balance - July 1	4,700,262		\$ 27,637	4,727,899
Fund Balance - June 30	\$ 5,821,738	\$ -0-	\$ 27,637	\$ 5,849,375

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 1,121,476

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 by which capital outlays differ from depreciation in the period.

	Depreciation Expense	\$ (588,387)	
	Capital Outlays	<u>1,050,595</u>	
			462,208

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	579,462
Change in Deferred Outflows	(510,234)
Change in Deferred Inflows	87,814

In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

19,536

Change in net position of governmental activities (A-2) \$ 1,760,262

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Food Service</u>	<u>Fund</u>	
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 133,755	\$ 120,705	\$ 254,460
Intergovernmental Accounts Receivable:			
State	83		83
Federal	8,548		8,548
Other Accounts Receivable	7,091	1,299	8,390
Inventories	20,589		20,589
Total Current Assets	<u>170,066</u>	<u>122,004</u>	<u>292,070</u>
Non-Current Assets:			
Capital Assets	274,372		274,372
Accumulated depreciation	(201,523)		(201,523)
Total Non-Current Assets	<u>72,849</u>		<u>72,849</u>
Total Assets	<u>242,915</u>	<u>122,004</u>	<u>364,919</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Vendors	10,194		10,194
Interfund Payable	85,623		85,623
Unearned Revenue - Donated Commodities	7,413		7,413
Unearned Revenue - Prepaid Sales/Fees	6,564	400	6,964
Total Current Liabilities	<u>109,794</u>	<u>400</u>	<u>110,194</u>
NET POSITION:			
Investment in Capital Assets	72,849		72,849
Unrestricted	60,272	121,604	181,876
Total Net Position	<u>\$ 133,121</u>	<u>\$ 121,604</u>	<u>\$ 254,725</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Food Service</u>	<u>Fund</u>	
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 65,268		\$ 65,268
Daily Sales - Non Reimbursable Programs	34,189		34,189
Child Care Fees		\$ 104,673	104,673
Total Operating Revenue	<u>99,457</u>	<u>104,673</u>	<u>204,130</u>
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	92,414		92,414
Cost of Goods Sold - Non-Reimbursable Programs	48,408		48,408
Salaries	82,862	105,569	188,431
Employee Benefits and Payroll Taxes	21,880		21,880
Purchased Services	13,989	486	14,475
Supplies and Materials	11,037	7,831	18,868
Depreciation	13,275		13,275
Other	4,325	280	4,605
Total Operating Expenses	<u>288,190</u>	<u>114,166</u>	<u>402,356</u>
Operating Loss	<u>(188,733)</u>	<u>(9,493)</u>	<u>(198,226)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	2,184		2,184
COVID-19 - Seamless Summer Option	291		291
Federal Sources:			
National School Lunch Program	79,213		79,213
COVID-19 - Seamless Summer Option - Lunch	18,388		18,388
School Breakfast Program	16,737		16,737
COVID-19 - Seamless Summer Option - Breakfast	11,625		11,625
Food Distribution Program	22,460		22,460
Local Sources:			
Interest Revenue	1,457		1,457
Total Non-Operating Revenue	<u>152,355</u>		<u>152,355</u>
Change in Net Position	(36,378)	(9,493)	(45,871)
Net Position - Beginning of Year	<u>169,499</u>	<u>131,097</u>	<u>300,596</u>
Net Position - End of Year	<u>\$ 133,121</u>	<u>\$ 121,604</u>	<u>\$ 254,725</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major	Total
	Food Service	Fund	
Cash Flows for Operating Activities:			
Receipts from Customers	\$ 103,162	\$ 83,025	\$ 186,187
Payments for Salaries, Payroll Taxes and Benefits	(104,742)	(105,569)	(210,311)
Payments to Suppliers	(159,783)	(16,942)	(176,725)
Net Cash Used for Operating Activities	(161,363)	(39,486)	(200,849)
Cash Flows from Noncapital Financing Activities:			
Partial Settlement of Prior Year Interfund	19,131		19,131
Federal and State Sources Received in Food Service Fund	122,815		122,815
Net Cash Provided by Noncapital Financing Activities	141,946		141,946
Cash Flows from Investing Activities:			
Interest on Investments	1,457		1,457
Net Cash Provided by Investing Activities	1,457		1,457
Net Decrease in Cash and Cash Equivalents	(17,960)	(39,486)	(57,446)
Cash and Cash Equivalents, July 1	151,715	160,191	311,906
Cash and Cash Equivalents, June 30	\$ 133,755	\$ 120,705	\$ 254,460
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	\$ (188,733)	\$ (9,493)	\$ (198,226)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	13,275		13,275
Food Distribution Program	22,460		22,460
Changes in Assets and Liabilities:			
(Increase) in Inventory	(6,167)		(6,167)
(Increase)/Decrease in Other Accounts Receivable	383	(1,299)	(916)
(Decrease) in Accounts Payable	(8,814)	(8,345)	(17,159)
Increase in Unearned Revenue - Donated Commodities	2,528		2,528
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	3,705	(20,349)	(16,644)
Net Cash Used for Operating Activities	\$ (161,363)	\$ (39,486)	\$ (200,849)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$24,988 and utilized commodities valued at \$22,460 for the fiscal year ended June 30, 2020.

The General Fund purchased \$34,459 of capital assets on behalf of the Food Service Fund which is included in the interfund payable due to the General Fund at June 30, 2020.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 966,338	\$ 478,965
Total Assets	<u>966,338</u>	<u>478,965</u>
<u>LIABILITIES:</u>		
Payroll Deductions and Withholdings	146,077	
Interfund Payable - General Fund	44,176	
Accrued Salaries and Wages	636,192	
Due to Student Groups	<u>139,893</u>	
Total Liabilities	<u>966,338</u>	
<u>NET POSITION:</u>		
Held in Trust for Unemployment Claims		<u>478,965</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 478,965</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee Contributions	\$ 46,481
Total Contributions	<u>46,481</u>
Investment Earnings:	
Interest	1,002
Net Investment Earnings	<u>1,002</u>
Total Additions	<u>47,483</u>
DEDUCTIONS:	
Quarterly Contribution Reports/Unemployment Claims	<u>83,049</u>
Total Deductions	<u>83,049</u>
Change in Net Position	(35,566)
Net Position - Beginning of the Year	<u>514,531</u>
Net Position - End of the Year	<u><u>\$ 478,965</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Sussex-Wantage Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Board 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.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria operations and its Care Program. These two Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and the Unemployment Compensation Trust Fund.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for fiscal year ending June 30, 2020 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 27,434,063	\$ 553,204
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		11,175
Current Year Encumbrances		(4,171)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	747,042	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(701,277)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 27,479,828</u>	<u>\$ 560,208</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,361,521	\$ 553,204
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Prior Year Encumbrances		11,175
Current Year Encumbrances		(4,171)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,361,521</u>	<u>\$ 560,208</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	40 years
Site Improvements	20 years
Machinery and Equipment	10 to 12 years

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts are amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2020, the amount earned by these employees but not disbursed was \$636,192.

N. Compensated Absences

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

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

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$5,821,738 General Fund fund balance at June 30, 2020, \$1,623,184 is restricted in a capital reserve; \$791,669 is restricted as prior year excess surplus which has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2021; \$2,366,827 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2022; \$374,589 is assigned for year-end encumbrances and \$318,921 has been appropriated and included as revenue for the fiscal year ended June 30, 2021.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

Additionally, there is \$346,548 of unassigned fund balance which is \$701,277 less than the actual year-end unassigned fund balance, on a GAAP Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2021.

Capital Projects Fund: The entire \$27,637 fund balance at June 30, 2020 is committed.

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 Restricted 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 restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as noted on the prior page.

Unassigned General Fund fund balance is \$701,277 less on a GAAP basis than budgetary basis as of June 30, 2020 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record these state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2020 related to pensions.

The District had deferred inflows of resources at June 30, 2020 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition,

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Net Position: (Cont'd)

construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Deficit Net Position

There is a deficit in unrestricted governmental activities net position of \$6,851,016 which is primarily a result of compensated absences payable, net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus and a capital reserve in the General Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources at June 30, 2020 in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund at June 30, 2020 for year-end encumbrances and for amounts designated for subsequent year's expenditures.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and Care Program fees. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. 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 State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Pensions: (Cont'd)

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

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Custodial Credit Risk – the District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund establish pursuant to section 1 of P.L. 1977,C.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital Reserve</u>	<u>Total</u>
Checking Accounts	<u>\$ 5,357,695</u>	<u>\$ 1,623,184</u>	<u>\$ 6,980,879</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$6,980,879 and the bank balance was \$7,251,583.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account in the amount of \$400,000 was established by Board resolution on June 26, 2013 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 approved LRFP.

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

Beginning Balance, July 1, 2019	\$ 1,578,572
Deposit - Board Resolution June 24, 2020	500,000
Unexpended Balance of Budgeted Withdrawal	<u>324,612</u>
	2,403,184
Budgeted Withdrawal	<u>(780,000)</u>
Ending Balance, June 30, 2020	<u><u>\$ 1,623,184</u></u>

The balance in the capital reserve at June 30, 2020 did not exceed the balance of local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District’s LRFP.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 11,110,027	\$ 51,486		\$ 11,161,513
Site Improvements	1,067,870	537,521		1,605,391
Machinery and Equipment	1,856,809	461,588		2,318,397
Total Capital Assets Being Depreciated	<u>14,034,706</u>	<u>1,050,595</u>		<u>15,085,301</u>
Governmental Activities Capital Assets	<u>14,034,706</u>	<u>1,050,595</u>		<u>15,085,301</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(5,931,076)	(372,913)		(6,303,989)
Site Improvements	(275,687)	(108,486)		(384,173)
Machinery and Equipment	(1,580,291)	(106,988)		(1,687,279)
	<u>(7,787,054)</u>	<u>(588,387)</u>		<u>(8,375,441)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,247,652</u>	<u>\$ 462,208</u>	<u>\$ -0-</u>	<u>\$ 6,709,860</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 239,913	\$ 34,459		\$ 274,372
Less Accumulated Depreciation	<u>(188,248)</u>	<u>(13,275)</u>		<u>(201,523)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 51,665</u>	<u>\$ 21,184</u>	<u>\$ -0-</u>	<u>\$ 72,849</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 5,886
Student and Instruction Related Services	4,213
General Administrative Services	12,279
School Administrative Services	33,681
Central Services	232
Plant Operations and Maintenance	18,952
Pupil Transportation	31,745
Unallocated	<u>481,399</u>
	<u>\$ 588,387</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2020, the District did not make any transfers to the capital outlay accounts.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2019</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2020</u>
Compensated Absences Payable	\$ 685,706	\$ 43,691	\$ 63,227	\$ 666,170
Net Pension Liability	<u>6,180,850</u>		<u>579,462</u>	<u>5,601,388</u>
	<u>\$ 6,866,556</u>	<u>\$ 43,691</u>	<u>\$ 642,689</u>	<u>\$ 6,267,558</u>

A. Bonds Authorized But Not Issued / Bonds Payable:

As of June 30, 2020, the District has no bonds authorized but not issued or bonded debt outstanding.

B. Capital Leases Payable:

As of June 30, 2020, the District has no capital leases payable.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is \$666,170. The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. The current portion is \$36,798 and \$629,372 is the long-term portion. The General Fund will be used to liquidate the Compensated Absences Payable.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Compensated Absences Payable: (Cont'd)

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, no liability existed for compensated absences in the Enterprise Funds.

D. Operating Lease Payable:

The District has a commitment to lease copiers under an operating lease which expires in 2022. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2021	\$ 70,068
June 30, 2022	64,130
June 30, 2023	34,440
June 30, 2024	34,440
June 30, 2025	<u>22,960</u>
 Total future minimum lease payments	 <u>\$ 226,038</u>

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$5,601,388. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Public Employee's Retirement System (PERS) of New Jersey, or the Teachers' Pension and Annuity Fund (TPAF); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$303,259 for fiscal year 2020.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2020, the District reported a liability of \$5,601,388 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 July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.0311%, which was a decrease of 0.0003% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$151,733. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 14,803	
	2015	5.72	91,532	
	2016	5.57	452,984	
	2017	5.48		\$ 804,100
	2018	5.63		649,786
	2019	5.21		490,338
			<u>559,319</u>	<u>1,944,224</u>
Changes in Proportion	2014	6.44		30,274
	2015	5.72		3,998
	2016	5.57	47,830	
	2017	5.48	8,066	
	2018	5.63		219,475
	2019	5.21		55,771
			<u>55,896</u>	<u>309,518</u>
Net Difference Between Projected and Actual				
Investment Earnings on Pension Plan Investments	2016	5.00		(103,386)
	2017	5.00		124,070
	2018	5.00		86,300
	2019	5.00		(18,564)
				<u>88,420</u>
Difference Between Expected and Actual Experience	2015	5.72	25,395	
	2016	5.57	13,747	
	2017	5.48	23,914	
	2018	5.63		24,744
	2019	5.21		37,482
			<u>100,538</u>	<u>24,744</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	333,415	
			<u>\$ 1,049,168</u>	<u>\$ 2,366,906</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (161,742)
2021	(524,690)
2022	(468,517)
2023	(219,993)
2024	(22,589)
	\$ (1,397,531)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
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 Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market 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 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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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 collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 7,124,686	\$ 5,601,388	\$ 4,389,597

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$2,082,015 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,456,933.

The employee contribution rate was 7.50% effective July 1, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$58,609,296. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The 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 members, actuarially determined. At June 30, 2019, the District's proportion was 0.096%, which was a decrease of .002% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	58,609,296
Total	\$ 58,609,296

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$3,456,933 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
			8,729,264,342	17,163,131,436
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			1,203,503,264	213,344,311
Net Difference Between Projected and Actual	2016	5		(431,855,192)
Investment Earnings on Pension Plan Investments	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		(144,882,771)
				163,369,676
			\$ 9,932,767,606	\$ 17,539,845,423

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	(2,402,153,865)
	\$ (7,607,077,817)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% based on years of service
Thereafter	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

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 a 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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

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 made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension 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 State's proportionate share of the net pension liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)

State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 69,113,332	\$ 58,609,296	\$ 49,894,263
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Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$23,374 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$42,543 for the fiscal year ended June 30, 2020.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 9. 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. Health benefits are provided through Horizon Blue Cross/Blue Shield of NJ.

Property and Liability Insurance

The Sussex-Wantage Regional School District is a member of the School Alliance Insurance Fund (the “Fund”). This public entity risk management pool provides general liability, property and automobile coverage and workers’ compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund’s liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Selected, summarized financial information for the Fund as of June 30, 2020 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	<u>\$ 51,526,293</u>
Net Position	<u>\$ 20,539,909</u>
Total Revenue	<u>\$ 43,264,716</u>
Total Expenses	<u>\$ 41,642,794</u>
Change in Net Position	<u>\$ 1,621,922</u>
Member Dividends	<u>\$ -0-</u>

Financial statements for the Fund are available at the Fund’s Executive Director’s Office:

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550
(609) 275-1155

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

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, interest earned, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Cancel Prior Year Interfund-District Contribution</u>	<u>Ending Balance</u>
2019-2020		\$ 1,002	\$ 46,481	\$ 83,049		\$ 478,965
2018-2019		1,004	68,448	46,788	\$ 77,000	514,531
2017-2018	\$ 100,000	782	61,652	58,575		568,867

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 129,799	
Food Service Fund		\$ 85,623
Payroll Agency Fund		44,176
	<u>\$ 129,799</u>	<u>\$ 129,799</u>

The interfund receivable in the General Fund due from the Payroll Agency Fund relates to interest earnings and other amounts due from the payroll accounts to the General Fund.

The interfund payable in the Food Service Fund due to the General Fund is for equipment purchases and repairs paid by the General Fund on behalf of the Food Service Fund in the prior year and the current year, offset by current year subsidy claim reimbursements received in the General Fund and not turned over to the Food Service Fund.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 12. DEFERRED COMPENSATION

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

The 403(b) plan administrators are as follows:

Variable Annuity Life (VALIC)	Lincoln Investment Planning
Equitable Life Insurance Company	Lincoln National Life
Metropolitan Life Insurance Company	Security Benefit Corp.

Equitable Life Insurance Company is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the local school district on predetermined mutually agreed-upon schedules.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from any additional litigation and not covered by insurance would not materially affect the financial position of the District.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2020, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 374,589	\$ 4,171	\$ 378,760

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$374,589 is assigned for year-end encumbrances in the General Fund. On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$4,171 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 15. ACCOUNTS PAYABLE

	Governmental Funds		District Contri- bution Subsequent to the Measure- ment Date	Total	Business-Type Activities
	General Fund	Special Revenue Fund		Governmental Activities	Proprietary Funds
Salaries	\$ 48,000			\$ 48,000	
Vendors	81,773	\$ 43,518		125,291	\$ 10,194
Due to State of New Jersey			\$ 333,415	333,415	
	\$ 129,773	\$ 43,518	\$ 333,415	\$ 506,706	\$ 10,194

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017 which was rolled forward to June 30, 2018.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on service years	based on service years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service years	based on service years

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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement 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.

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 is reflected. The assumed post-65 medical trend rate 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 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%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 55,232,328
Changes for Year:	
Service Cost	1,629,896
Interest on the Total OPEB Liability	2,172,888
Changes of Assumptions	722,906
Differences between Expected and Actual Experience	(9,829,462)
Gross Benefit Payments by the State	(1,488,325)
Contributions from Members	44,118
	(6,747,979)
Net Changes	
Balance at June 30, 2019	\$ 48,484,349

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.5%)	At Discount Rate (3.5%)	At 1% Increase (4.5%)
Total OPEB Liability Attributable to the District	\$ 57,279,176	\$ 48,484,349	\$ 41,498,221

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 39,948,943	\$ 48,484,349	\$ 59,783,475

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$354,650 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 5,644,559
	2018	9.51		4,855,084
	2019	9.29	\$ 645,090	
			<u>645,090</u>	<u>10,499,643</u>
Differences between Expected and Actual Experience	2018	9.51		4,589,565
	2019	9.29		7,592,747
			<u>-0-</u>	<u>12,182,313</u>
Changes in Proportion	N/A	N/A		<u>3,463,953</u>
			<u>\$ 645,090</u>	<u>\$ 26,145,909</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

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

Fiscal Year Ending June 30,	Total
2020	\$ (2,958,769)
2021	(2,958,769)
2022	(2,958,769)
2023	(2,958,769)
2024	(2,958,769)
Thereafter	(7,243,020)
	\$ (22,036,865)

Note 17. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021 as revenues (and associated expenditures) were reduced due to school closure in Mid-March. The District handed out food on a daily basis to free and reduced eligible students from Mid-March to June 19, 2020. The District received Seamless Summer Option approval and handed out food to families during the summer months. The District received Seamless Summer Option approval in September 2020 as well and is now handing out free meals to all students that want them. All in person students have access to free meals and full virtual and cohort students can pick up meals twice a week in the evenings. The District also provides delivery to families with no transportation.

The District's Care Program Enterprise Fund has also been impacted by COVID-19 for the fiscal year ending June 30, 2021 as revenues (and associated expenditures) were reduced due to complete closure of the CARE program from mid-March 2020 through the end of August 2020.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.0321296257%	0.0319647358%	0.0328190778%	0.0329008244%	0.0313916000%	0.0310869035%
District's proportionate share of the net pension liability	\$ 6,015,545	\$ 7,175,443	\$ 9,720,070	\$ 7,658,786	\$ 6,180,850	\$ 5,601,388
District's covered employee payroll	\$ 2,191,492	\$ 2,205,424	\$ 2,271,942	\$ 2,171,489	\$ 2,139,147	\$ 2,176,370
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	274.50%	325.35%	427.83%	352.70%	288.94%	257.37%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 264,872	\$ 274,811	\$ 292,386	\$ 307,366	\$ 319,628	\$ 303,259
Contributions in relation to the contractually required contribution	(264,872)	(274,811)	(292,386)	(307,366)	(319,628)	(303,259)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,205,424	\$ 2,271,942	\$ 2,171,489	\$ 2,139,147	\$ 2,176,370	\$ 2,141,306
Contributions as a percentage of covered employee payroll	12.01%	12.10%	13.46%	14.37%	14.69%	14.16%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.0987102624%	0.0990234474%	0.0967929031%	0.0982149259%	0.0982084846%	0.0955000726%
State's proportionate share of the net pension liability attributable to the District	\$ 52,757,423	\$ 62,587,047	\$ 76,143,460	\$ 66,220,045	\$ 62,478,128	\$ 58,609,296
District's covered employee payroll	\$ 9,723,839	\$ 9,630,467	\$ 10,159,774	\$ 10,058,856	\$ 9,863,448	\$ 10,456,315
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	542.56%	649.89%	749.46%	658.33%	633.43%	560.52%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 2,838,845	\$ 3,821,503	\$ 5,721,122	\$ 4,587,389	\$ 3,642,256	\$ 3,456,933
Contributions in relation to the contractually required contribution	(535,357)	(774,962)	(1,066,097)	(1,446,265)	(1,878,255)	(2,082,015)
Contribution deficiency/(excess)	<u>\$ 2,303,488</u>	<u>\$ 3,046,541</u>	<u>\$ 4,655,025</u>	<u>\$ 3,141,124</u>	<u>\$ 1,764,001</u>	<u>\$ 1,374,918</u>
District's covered employee payroll	9,723,839	9,630,467	10,159,774	10,058,856	9,863,448	9,858,265
Contributions as a percentage of covered employee payroll	5.51%	8.05%	10.49%	14.38%	19.04%	21.12%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Years Ending June 30,		
	2017	2018	2019
Service Cost	\$ 2,341,403	\$ 1,948,967	\$ 1,629,896
Interest on the Total OPEB Liability	2,074,882	2,398,940	2,172,888
Changes in Assumptions	(8,371,803)	(6,338,186)	722,906
Differences between Expected and Actual Experience	56,092	(7,118,728)	(9,829,462)
Contributions from Members	(1,523,308)	51,044	44,118
Gross Benefit Payments by the State	(5,422,734)	(1,476,893)	(1,488,325)
Net Change in Total OPEB Liability	71,189,918	(10,534,856)	(6,747,979)
Total OPEB Liability - Beginning	65,767,184	65,767,184	55,232,328
Total OPEB Liability - Ending	<u>\$ 12,431,716</u>	<u>\$ 55,232,328</u>	<u>\$ 48,484,349</u>
District's Covered Employee Payroll *	\$ 12,431,716	\$ 12,230,345	\$ 12,002,595
Total OPEB Liability as a Percentage of Covered Employee Payroll	529%	452%	404%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018 and 2019 are based on the payroll on the June 30, 2016, 2017 and 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the plan actuary's modified MP-2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

B.TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: 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 a 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 mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

C. State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

C. State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

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 is reflected. The assumed post-65 medical trend rate 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 15,800,221		\$ 15,800,221	\$ 15,800,221	
Tuition from Other LEAs				51,489	\$ 51,489
Transportation Fees	60,277		60,277	77,036	16,759
Unrestricted Miscellaneous Revenues	50,000		50,000	167,660	117,660
Total - Local Sources	15,910,498		15,910,498	16,096,406	185,908
State Sources:					
Extraordinary Aid	25,000		25,000	608,282	583,282
Categorical Special Education Aid	833,307		833,307	833,307	
School Choice Aid	3,391		3,391	3,391	
Equalization Aid	5,244,425		5,244,425	5,244,425	
Categorical Security Aid	155,733		155,733	155,733	
Categorical Transportation Aid	784,782		784,782	784,782	
Non Public Transportation Aid				9,355	9,355
Homeless Tuition Reimbursement				17,050	17,050
On-Behalf TPAF Pension Contributions (non-budgeted)				2,082,015	2,082,015
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				37,318	37,318
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				786,234	786,234
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				1,772	1,772
Reimbursed TPAF Social Security Contributions (non-budgeted)				694,781	694,781
Total State Sources	7,046,638		7,046,638	11,258,445	4,211,807
Federal Sources:					
Medicaid Reimbursement	83,425		83,425	79,212	(4,213)
Total Federal Sources	83,425		83,425	79,212	(4,213)
TOTAL REVENUES	23,040,561		23,040,561	27,434,063	4,393,502

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 409,618		\$ 409,618	\$ 401,808	\$ 7,810
Grades 1-5 - Salaries of Teachers	2,524,097	\$ (29,917)	2,494,180	2,493,589	591
Grades 6-8 - Salaries of Teachers	1,888,640	(103,777)	1,784,863	1,784,863	
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(15,000)			
Purchased Professional - Educational Services	7,500	(6,443)	1,057		1,057
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	212,341	(25,299)	187,042	119,476	67,566
Purchased Professional - Educational Services	71,709	(8,483)	63,226	49,368	13,858
Purchased Technical Services	4,800		4,800	1,315	3,485
Other Purchased Services (400-500 Series)	10,000		10,000	2,460	7,540
General Supplies	246,854		246,854	190,550	56,304
Textbooks	33,111		33,111	4,361	28,750
Other Objects	32,622		32,622	32,225	397
Total Regular Programs - Instruction	5,456,292	(188,919)	5,267,373	5,080,015	187,358
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	225,716	4,182	229,898	229,898	
Other Salaries for Instruction	159,923	(22,111)	137,812	137,812	
General Supplies	5,370	(1,169)	4,201	2,645	1,556
Textbooks	300		300		300
Total Learning and/or Language Disabilities	391,309	(19,098)	372,211	370,355	1,856

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 292,339	\$ 5,705	\$ 298,044	\$ 298,044	
Other Salaries for Instruction	396,574	(64,705)	331,869	329,879	\$ 1,990
General Supplies	6,150		6,150	4,706	1,444
Total Multiple Disabilities	695,063	(59,000)	636,063	632,629	3,434
Resource Room/Resource Center:					
Salaries of Teachers	1,525,736	136,472	1,662,208	1,662,208	
Other Salaries for Instruction	93,934	45,011	138,945	138,945	
General Supplies	14,156	(7,113)	7,043	6,998	45
Total Resource Room/Resource Center	1,633,826	174,370	1,808,196	1,808,151	45
Autism:					
Salaries of Teachers	130,889	(2,118)	128,771	128,771	
Other Salaries for Instruction	181,400	56,888	238,288	237,820	468
General Supplies	2,700		2,700	2,615	85
Total Autism	314,989	54,770	369,759	369,206	553
Preschool Handicapped - Part Time:					
Salaries of Teachers	150,389	31,430	181,819	181,819	
Other Salaries for Instruction	64,157	87,669	151,826	151,826	
General Supplies	3,650	406	4,056	3,567	489
Total Preschool Handicapped - Part Time	218,196	119,505	337,701	337,212	489
Home Instruction:					
Salaries of Teachers	5,000	(2,002)	2,998	2,998	
Total Home Instruction	5,000	(2,002)	2,998	2,998	
Total Special Education Instruction	3,258,383	268,545	3,526,928	3,520,551	6,377

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 181,475	\$ (8,126)	\$ 173,349	\$ 173,349	
General Supplies	4,300		4,300	2,791	\$ 1,509
Total Basic Skills/Remedial - Instruction	<u>185,775</u>	<u>(8,126)</u>	<u>177,649</u>	<u>176,140</u>	<u>1,509</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	90,672	(9,000)	81,672	73,612	8,060
Purchased Services (300-500 Series)	7,500		7,500	2,600	4,900
Supplies and Materials	10,000		10,000	194	9,806
Total School-Sponsored Cocurricular Activities - Instruction	<u>108,172</u>	<u>(9,000)</u>	<u>99,172</u>	<u>76,406</u>	<u>22,766</u>
Other Supplemental At Risk Programs Instruction					
Salaries of Teachers	112,469	375	112,844	112,844	
Salaries of Reading Specialists	200,433	(21,174)	179,259	112,572	66,687
Total Other Supplemental At risk Programs Instruction	<u>312,902</u>	<u>(20,799)</u>	<u>292,103</u>	<u>225,416</u>	<u>66,687</u>
Other Alternative Education Programs Instruction					
Salaries of Teachers	78,027		78,027	53,111	24,916
General Supplies	2,300		2,300	500	1,800
Total Other Alternative Education Programs Instruction	<u>80,327</u>		<u>80,327</u>	<u>53,611</u>	<u>26,716</u>
Total Instruction	<u>9,401,851</u>	<u>41,701</u>	<u>9,443,552</u>	<u>9,132,139</u>	<u>311,413</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	20,000	8,704	28,704	28,704	
Tuition to Other LEAs Within the State - Special	82,719	(5,056)	77,663	75,199	2,464
Tuition to Private Schools for the Handicapped - Within State	219,418	16,570	235,988	197,385	38,603
Total Undistributed Expenditures - Instruction:	<u>322,137</u>	<u>20,218</u>	<u>342,355</u>	<u>301,288</u>	<u>41,067</u>
Attendance and Social Work:					
Salaries of Drop-Out Prevention Officer/Coordinator	1,500		1,500		1,500
Total Attendance and Social Work	<u>1,500</u>		<u>1,500</u>		<u>1,500</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 289,956		\$ 289,956	\$ 242,839	\$ 47,117
Purchased Professional and Technical Services	2,500	\$ 35,000	37,500	34,778	2,722
Other Purchased Services (400-500 Series)	5,000		5,000	5,000	
Supplies and Materials	6,648		6,648	6,482	166
Other Objects	7,050		7,050	944	6,106
Total Health Services	311,154	35,000	346,154	290,043	56,111
Speech, OT, PT and Related Services:					
Salaries	387,400	(37,000)	350,400	280,388	70,012
Purchased Professional - Educational Services	157,417	16,781	174,198	126,303	47,895
Supplies and Materials	4,675		4,675	2,903	1,772
Total Speech, OT, PT and Related Services	549,492	(20,219)	529,273	409,594	119,679
Other Support Services - Guidance:					
Salaries of Other Professional Staff	238,611		238,611	237,543	1,068
Total Other Support Services - Guidance	238,611		238,611	237,543	1,068
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	936,876	(31)	936,845	922,037	14,808
Salaries of Secretarial and Clerical Assistants	122,347	31	122,378	122,378	
Purchased Professional - Educational Services	12,150		12,150	11,400	750
Total Other Support Services - Child Study Team	1,071,373		1,071,373	1,055,815	15,558
Educational Media Services/School Library:					
Salaries	214,211	216	214,427	214,427	
Salaries of Technology Coordinators	82,479	(216)	82,263	73,543	8,720
Supplies and Materials	35,537		35,537	27,248	8,289
Total Educational Media Services/School Library	332,227		332,227	315,218	17,009

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 23,903		\$ 23,903	\$ 23,604	\$ 299
Salaries of Secretarial and Clerical Assistants	20,807		20,807	20,400	407
Purchased Professional - Educational Services	41,073	\$ 8,483	49,556	38,490	11,066
Other Purchased Professional and Technical Services	4,000	7,500	7,500	7,500	
Supplies and Materials	2,114		4,000	92	3,908
Other Objects			2,114		2,114
Total Instructional Staff Training Services	91,897	15,983	107,880	90,086	17,794
Support Services - General Administration:					
Salaries	221,812		221,812	221,651	161
Legal Services	45,414	21,400	66,814	66,814	
Audit Fees	63,750		63,750	30,000	33,750
Other Purchased Professional Services	36,005	883	36,888	36,888	
Purchased Technical Services	5,000		5,000	4,461	539
Communications/Telephone	76,631	(13,690)	62,941	62,941	
Other Purchased Services (400-500 Series)	46,517	(1,268)	45,249	44,982	267
General Supplies	5,500		5,500	1,090	4,410
Judgements Against the School District	23,947	(6,624)	17,323	16,267	1,056
Miscellaneous Expenditures	17,344	(700)	16,644	10,032	6,612
BOE Membership Dues and Fees	12,000		12,000	11,666	334
Total Support Services - General Administration	553,920	1	553,921	506,792	47,129
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	293,778		293,778	292,017	1,761
Salaries of Secretarial and Clerical Assistants	261,794		261,794	261,342	452
Supplies and Materials	26,900		26,900	9,277	17,623
Other Objects	19,403		19,403	12,570	6,833
Total Support Services - School Administration	601,875		601,875	575,206	26,669

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 312,485		\$ 312,485	\$ 299,035	\$ 13,450
Purchased Professional Services	10,450		10,450	5,574	4,876
Supplies and Materials	5,000		5,000	4,521	479
Miscellaneous Expenditures	4,180		4,180	1,692	2,488
Total Central Services	332,115		332,115	310,822	21,293
Administrative Information Technology:					
Salaries	100,596		100,596	100,596	
Purchased Professional Services	116,638	\$ (10,661)	105,977	94,206	11,771
Supplies and Materials	27,867	10,662	38,529	8,146	30,383
Other Objects	10,000		10,000	880	9,120
Total Administrative Information Technology	255,101	1	255,102	203,828	51,274
Required Maintenance of School Facilities:					
Salaries	358,369		358,369	311,474	46,895
Cleaning, Repair and Maintenance Services	125,206	(12,225)	112,981	60,016	52,965
General Supplies	85,694		85,694	35,473	50,221
Total Required Maintenance of School Facilities	569,269	(12,225)	557,044	406,963	150,081
Custodial Services:					
Salaries	476,051		476,051	458,144	17,907
Cleaning, Repair and Maintenance Services	76,000	12,225	88,225	81,286	6,939
Other Purchased Property Services	126,285		126,285	71,665	54,620
Insurance	145,363		145,363	141,780	3,583
Miscellaneous Purchased Services	95,270		95,270	84,178	11,092
General Supplies	64,260		64,260	33,533	30,727
Energy (Electricity)	166,400		166,400	146,989	19,411
Energy (Natural Gas)	160,000		160,000	95,253	64,747
Other Objects	15,140		15,140	7,904	7,236
Total Custodial Services	1,324,769	12,225	1,336,994	1,120,732	216,262

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Salaries	\$ 138,348		\$ 138,348	\$ 114,595	\$ 23,753
Other Purchased Professional and Technical Services	9,447		9,447	8,588	859
General Supplies	1,500		1,500	1,292	208
Other Objects	500		500	500	
Total Security	149,795		149,795	124,975	24,820
Student Transportation Services:					
Salaries of Non-Instructional Aides	466,989	\$ (25,000)	441,989	356,096	85,893
Other Purchased Professional and Technical Services	7,500		7,500	3,850	3,650
Cleaning, Repair and Maintenance Services	40,000		40,000	34,167	5,833
Rental Payments - School Buses	10,000	(7,500)	2,500		2,500
Contracted Services:					
Between Home and School - Vendors	691,726		691,726	623,487	68,239
Other Between Home and School - Vendors	82,654		82,654	65,323	17,331
Between Home and School - Joint Agreements	27,520	25,000	52,520	49,900	2,620
Special Education Students - Joint Agreements	182,466		182,466	131,866	50,600
Aid in Lieu Payments - Nonpublic School	33,000		33,000	19,431	13,569
Transportation Supplies	85,035		85,035	49,802	35,233
Other Objects	68,345		68,345	20,468	47,877
Total Student Transportation Services	1,695,235	(7,500)	1,687,735	1,354,390	333,345
Unallocated Benefits:					
Social Security Contributions	344,484		344,484	294,964	49,520
Other Retirement Contribution - PERS	338,206		338,206	303,259	34,947
Other Retirement Contributions - Regular		23,374	23,374	23,374	
Workmen's Compensation	211,434		211,434	186,529	24,905
Health Benefits	4,672,075	(37,168)	4,634,907	3,588,373	1,046,534
Tuition Reimbursement	66,519		66,519	33,191	33,328
Other Employee Benefits	95,023	13,794	108,817	108,817	
Total Unallocated Benefits	5,727,741		5,727,741	4,538,507	1,189,234

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf and Reimbursed Benefits:					
On-Behalf TPAF Pension Contributions (non-budgeted)				\$ 2,082,015	\$ (2,082,015)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				37,318	(37,318)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				786,234	(786,234)
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				1,772	(1,772)
Reimbursed TPAF Social Security Contributions (non-budgeted)				694,781	(694,781)
Total On-Behalf and Reimbursed Benefits				3,602,120	(3,602,120)
Total Undistributed Expenses	\$ 14,128,211	\$ 43,484	\$ 14,171,695	15,443,922	(1,272,227)
TOTAL GENERAL CURRENT EXPENSE	23,530,062	85,185	23,615,247	24,576,061	(960,814)
CAPITAL OUTLAY:					
Equipment:					
Central Services	21,188		21,188	21,188	
Administrative Information Technology	32,550		32,550	19,539	13,011
Required Maintenance for School Facilities	44,000		44,000	38,638	5,362
School Transportation - School Buses - Special	115,000		115,000	113,549	1,451
Total Equipment	212,738		212,738	192,914	19,824
Facilities Acquisition and Construction Services:					
Construction Services	805,765	471,051	1,276,816	800,162	476,654
Other Purchased Professional/Technical Services	614,041	(614,041)			
Architectural/Engineering Services	40,000	142,990	182,990	73,581	109,409
Assessment for Debt Service on SDA Funding	1,273		1,273	1,273	
Total Facilities Acquisition and Construction Services	1,461,079		1,461,079	875,016	586,063
TOTAL CAPITAL OUTLAY	1,673,817		1,673,817	1,067,930	605,887
Transfer of Funds to Charter Schools	869,163	(85,185)	783,978	717,530	66,448
TOTAL EXPENDITURES	26,073,042		26,073,042	26,361,521	(288,479)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(3,032,481)		(3,032,481)	1,072,542	4,105,023
Other Financing Sources:					
Cancellation of Prior Year Accounts Payable				3,169	3,169
Total Other Financing Sources				3,169	3,169

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ (3,032,481)		\$ (3,032,481)	\$ 1,075,711	\$ 4,108,192
Fund Balance, July 1	5,447,304		5,447,304	5,447,304	
Fund Balance, June 30	<u>\$ 2,414,823</u>	<u>\$ -0-</u>	<u>\$ 2,414,823</u>	<u>\$ 6,523,015</u>	<u>\$ 4,108,192</u>
<u>Recapitulation:</u>					
<u>Restricted:</u>					
Excess Surplus - Restricted for 2021-2022				\$ 2,366,827	
Excess Surplus - Restricted for 2020-2021				791,669	
Capital Reserve				1,623,184	
<u>Assigned:</u>					
Year-End Encumbrances				374,589	
Designated for Subsequent Year's Expenditures				318,921	
Unassigned				<u>1,047,825</u>	
				<u>6,523,015</u>	
Reconciliation to Governmental Funds Statements (GAAP):				<u>(701,277)</u>	
Last State Aid Payments not Recognized on GAAP Basis				<u>\$ 5,821,738</u>	
Fund Balance per Governmental Funds (GAAP)					

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 100,971	\$ 250,136	\$ 351,107	\$ 63,313	\$ (287,794)
Federal Sources	504,078	228,939	733,017	489,891	(243,126)
Total Revenues	605,049	479,075	1,084,124	553,204	(530,920)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	91,000	1,000	92,000	84,499	7,501
Other Salaries for Instruction	62,766	142,726	205,492	49,458	156,034
Purchased Professional - Educational Services	87,988	1,173	89,161	85,723	3,438
Tuition	171,515	(8,510)	163,005	145,814	17,191
General Supplies	7,200	33,704	40,904	25,424	15,480
Textbooks	4,432	360	4,792	3,588	1,204
Total Instruction	424,901	170,453	595,354	394,506	200,848
Support Services:					
Salaries of Other Professional Staff	42,786	35,657	78,443	41,671	36,772
Personal Services - Employee Benefits	28,210	2,022	30,232	30,232	
Purchased Professional/Educational Services	14,273	94,197	108,470	8,014	100,456
Purchased Professional and Technical Services	94,879	86,546	181,425	71,107	110,318
Supplies and Materials		77,200	77,200	7,674	69,526
Total Support Services	180,148	295,622	475,770	158,698	317,072
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		13,000	13,000		13,000
Total Facilities Acquisition and Construction Services		13,000	13,000		13,000
Total Expenditures	\$ 605,049	\$ 479,075	\$ 1,084,124	\$ 553,204	\$ 530,920

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 27,434,063	\$ 553,204
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		11,175
Current Year Encumbrances		(4,171)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	747,042	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(701,277)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 27,479,828	\$ 560,208
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,361,521	\$ 553,204
Differences - Budgetary to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		11,175
Current Year Encumbrances		(4,171)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,361,521	\$ 560,208

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2020, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education					IDEA Part B
	Title I	Title I - SIA	Title II	Title IV	Preschool	Basic
REVENUE:						
State Sources	\$ 156,117	\$ 12,148	\$ 11,745	\$ 621	\$ 19,354	\$ 281,733
Federal Sources	156,117	12,148	11,745	621	19,354	281,733
Total Revenue						
EXPENDITURES:						
Instruction:						
Salaries of Teachers	84,000					
Other Salaries for Instruction					19,354	83,768
Purchased Professional/Educational Services						145,814
Tuition	214	12,148	455	621		
General Supplies						
Textbooks						
Total Instruction	84,214	12,148	455	621	19,354	229,582
Support Services:						
Salaries of Other Professional Staff	41,671					
Personal Services - Employee Benefits	30,232					
Purchased Professional/Educational Services			11,290			52,151
Purchased Professional and Technical Services						
Supplies and Materials						
Total Support Services	71,903		11,290			52,151
Total Expenditures	\$ 156,117	\$ 12,148	\$ 11,745	\$ 621	\$ 19,354	\$ 281,733

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic Security Aid	Nonpublic Technology Initiative	Chapter 192 Auxiliary Aid Compensatory Education	Examination and Classification	Chapter 193 Nonpublic Handicapped Aid Supplementary Instruction	Corrective Speech
REVENUE:						
State Sources	\$ 11,986	\$ 1,955	\$ 16,224	\$ 5,768	\$ 8,014	\$ 8,112
Federal Sources						
Total Revenue	11,986	1,955	16,224	5,768	8,014	8,112
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction			16,224	5,768		8,112
Purchased Professional/Educational Services		1,955				
Tuition						
General Supplies	11,986					
Textbooks						
Total Instruction	11,986	1,955	16,224	5,768		8,112
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits					8,014	
Purchased Professional/Educational Services						
Purchased Professional and Technical Services						
Supplies and Materials						
Total Support Services					8,014	
Total Expenditures	\$ 11,986	\$ 1,955	\$ 16,224	\$ 5,768	\$ 8,014	\$ 8,112

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	CARES Emergency Relief Grant	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Totals
REVENUE:				
State Sources	\$ 8,173	\$ 3,588	\$ 7,666	63,313
Federal Sources				489,891
Total Revenue	<u>8,173</u>	<u>3,588</u>	<u>7,666</u>	<u>553,204</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	499			84,499
Other Salaries for Instruction				49,458
Purchased Professional/Educational Services				85,723
Tuition				145,814
General Supplies		3,588		25,424
Textbooks		3,588		3,588
Total Instruction	<u>499</u>	<u>3,588</u>		<u>394,506</u>
Support Services:				
Salaries of Other Professional Staff				41,671
Personal Services - Employee Benefits				30,232
Purchased Professional/Educational Services				8,014
Purchased Professional and Technical Services			7,666	71,107
Supplies and Materials	7,674			7,674
Total Support Services	<u>7,674</u>		<u>7,666</u>	<u>158,698</u>
Total Expenditures	<u>\$ 8,173</u>	<u>\$ 3,588</u>	<u>\$ 7,666</u>	<u>\$ 553,204</u>

CAPITAL PROJECTS FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Fund Balance - Beginning	<u>\$ 27,637</u>
Fund Balance - Ending	<u><u>\$ 27,637</u></u>
 <u>Recapitulation:</u>	
Committed	<u>\$ 27,637</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 27,637</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SOLAR PANEL PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Contribution from Private Source	\$ 70,680		\$ 70,680	\$ 70,680
Total Revenue and Other Financing Sources	70,680		70,680	70,680
Expenditures:				
Purchased Professional and Technical Services	43,043		43,043	70,680
Total Expenditures	43,043	-0-	43,043	70,680
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 27,637</u>	<u>\$ -0-</u>	<u>\$ 27,637</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number(s)	N/A
Grant Date(s)	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 20,000
Additional Funds	\$ 50,680
Revised Authorized Cost	<u>\$ 70,680</u>
Change Order Percentage	253.40%
Percentage Completion	60.90%
Original Target Completion Date	06/30/13
Revised Target Completion Date	06/30/21

PROPRIETARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Major Fund</u>	<u>Non-Major</u>	
	<u>Food</u>	<u>Fund</u>	
	<u>Service</u>	<u>Care Program</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 133,755	\$ 120,705	\$ 254,460
Intergovernmental Accounts Receivable:			
State	83		83
Federal	8,548		8,548
Other Accounts Receivable	7,091	1,299	8,390
Inventories	20,589		20,589
Total Current Assets	<u>170,066</u>	<u>122,004</u>	<u>292,070</u>
Non-Current Assets:			
Capital Assets	274,372		274,372
Accumulated depreciation	(201,523)		(201,523)
Total Non-Current Assets	<u>72,849</u>		<u>72,849</u>
Total Assets	<u>242,915</u>	<u>122,004</u>	<u>364,919</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Vendors	10,194		10,194
Interfund Payable	85,623		85,623
Unearned Revenue - Donated Commodities	7,413		7,413
Unearned Revenue - Prepaid Sales/Fees	6,564	400	6,964
Total Current Liabilities	<u>109,794</u>	<u>400</u>	<u>110,194</u>
NET POSITION:			
Investment in Capital Assets	72,849		72,849
Unrestricted	60,272	121,604	181,876
Total Net Position	<u>\$ 133,121</u>	<u>\$ 121,604</u>	<u>\$ 254,725</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Major Fund</u>	<u>Non-Major</u> <u>Fund</u>	
	Food Service	Care Program	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 65,268		\$ 65,268
Daily Sales - Non Reimbursable Programs	34,189		34,189
Child Care Fees		\$ 104,673	104,673
Total Operating Revenue	<u>99,457</u>	<u>104,673</u>	<u>204,130</u>
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	92,414		92,414
Cost of Goods Sold - Non-Reimbursable Programs	48,408		48,408
Salaries	82,862	105,569	188,431
Employee Benefits and Payroll Taxes	21,880		21,880
Purchased Services	13,989	486	14,475
Supplies and Materials	11,037	7,831	18,868
Depreciation	13,275		13,275
Other	4,325	280	4,605
Total Operating Expenses	<u>288,190</u>	<u>114,166</u>	<u>402,356</u>
Operating Loss	<u>(188,733)</u>	<u>(9,493)</u>	<u>(198,226)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	2,184		2,184
COVID-19 - Seamless Summer Option	291		291
Federal Sources:			
National School Lunch Program	79,213		79,213
COVID-19 - Seamless Summer Option - Lunch	18,388		18,388
School Breakfast Program	16,737		16,737
COVID-19 - Seamless Summer Option - Breakfast	11,625		11,625
Food Distribution Program	22,460		22,460
Local Sources:			
Interest Revenue	1,457		1,457
Total Non-Operating Revenue	<u>152,355</u>		<u>152,355</u>
Change in Net Position	(36,378)	(9,493)	(45,871)
Net Position - Beginning of Year	<u>169,499</u>	<u>131,097</u>	<u>300,596</u>
Net Position - End of Year	<u>\$ 133,121</u>	<u>\$ 121,604</u>	<u>\$ 254,725</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Major Fund Food Service	Non-Major Fund Care Program	Total
Cash Flows for Operating Activities:			
Receipts from Customers	\$ 103,162	\$ 83,025	\$ 186,187
Payments for Salaries, Payroll Taxes and Benefits	(104,742)	(105,569)	(210,311)
Payments to Suppliers	(159,783)	(16,942)	(176,725)
Net Cash Used for Operating Activities	(161,363)	(39,486)	(200,849)
Cash Flows from Noncapital Financing Activities:			
Partial Settlement of Prior Year Interfund	19,131		19,131
Federal and State Sources Received in Food Service Fund	122,815		122,815
Net Cash Provided by Noncapital Financing Activities	141,946		141,946
Cash Flows from Investing Activities:			
Interest on Investments	1,457		1,457
Net Cash Provided by Investing Activities	1,457		1,457
Net Decrease in Cash and Cash Equivalents	(17,960)	(39,486)	(57,446)
Cash and Cash Equivalents, July 1	151,715	160,191	311,906
Cash and Cash Equivalents, June 30	\$ 133,755	\$ 120,705	\$ 254,460
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	\$ (188,733)	\$ (9,493)	\$ (198,226)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	13,275		13,275
Food Distribution Program	22,460		22,460
Changes in Assets and Liabilities:			
(Increase) in Inventory	(6,167)		(6,167)
(Increase)/Decrease in Other Accounts Receivable	383	(1,299)	(916)
(Decrease) in Accounts Payable	(8,814)	(8,345)	(17,159)
Increase in Unearned Revenue - Donated Commodities	2,528		2,528
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	3,705	(20,349)	(16,644)
Net Cash Used for Operating Activities	\$ (161,363)	\$ (39,486)	\$ (200,849)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$24,988 and utilized commodities valued at \$22,460 for the fiscal year ended June 30, 2020.

The General Fund purchased \$34,459 of capital assets on behalf of the Food Service Fund which is included in the interfund payable due to the General Fund at June 30, 2020.

FIDUCIARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Agency		Total	Unemployment
	Payroll	Student Activity	Agency Funds	Compensation Trust
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 826,445	\$ 139,893	\$ 966,338	\$ 478,965
Total Assets	826,445	139,893	966,338	478,965
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	146,077		146,077	
Interfund Payable - General Fund	44,176		44,176	
Accrued Salaries and Wages	636,192		636,192	
Due to Student Groups		139,893	139,893	
Total Liabilities	826,445	139,893	966,338	
<u>NET POSITION:</u>				
Held in Trust for Unemployment Claims				478,965
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 478,965

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employee Contributions	\$ 46,481
Total Contributions	<u>46,481</u>
Investment Earnings:	
Interest	1,002
Net Investment Earnings	<u>1,002</u>
Total Additions	<u>47,483</u>
DEDUCTIONS:	
Quarterly Contribution Reports/Unemployment Claims	<u>83,049</u>
Total Deductions	<u>83,049</u>
Change in Net Position	(35,566)
Net Position - Beginning of the Year	<u>514,531</u>
Net Position - End of the Year	<u>\$ 478,965</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 107,339	\$ 102,511	\$ 69,957	\$ 139,893
Total Assets	<u>\$ 107,339</u>	<u>\$ 102,511</u>	<u>\$ 69,957</u>	<u>\$ 139,893</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 107,339	\$ 102,511	\$ 69,957	\$ 139,893
Total Liabilities	<u>\$ 107,339</u>	<u>\$ 102,511</u>	<u>\$ 69,957</u>	<u>\$ 139,893</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 848,834	\$ 24,762,971	\$ 24,785,360	\$ 826,445
Total Assets	<u>\$ 848,834</u>	<u>\$ 24,762,971</u>	<u>\$ 24,785,360</u>	<u>\$ 826,445</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 165,878	\$ 24,122,713	\$ 24,142,514	\$ 146,077
Interfund Payable - General Fund	44,256	4,066	4,146	44,176
Accrued Salaries and Wages	<u>638,700</u>	<u>636,192</u>	<u>638,700</u>	<u>636,192</u>
Total Liabilities	<u>\$ 848,834</u>	<u>\$ 24,762,971</u>	<u>\$ 24,785,360</u>	<u>\$ 826,445</u>

LONG-TERM DEBT
(NOT APPLICABLE)

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT,

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2011	2012	2013	2014	2015
Governmental Activities					
Net Investment in Capital Assets	\$ 4,085,016	\$ 4,171,393	\$ 4,541,835	\$ 4,426,455	\$ 4,669,704
Restricted	57,896	783,856	2,015,681	2,785,800	3,429,754
Unrestricted/(Deficit)	(659,916)	(222,561)	(471,386)	(6,932,568)	(6,651,551)
Total Governmental Activities Net Position	<u>\$ 3,482,996</u>	<u>\$ 4,732,688</u>	<u>\$ 6,086,130</u>	<u>\$ 279,687</u>	<u>\$ 1,447,907</u>
Business-type Activities					
Investment in Capital Assets	\$ 14,124	\$ 11,852	\$ 54,554	\$ 45,434	\$ 44,334
Unrestricted	270,217	294,664	267,452	291,349	320,376
Total Business-type Activities Net Position	<u>\$ 284,341</u>	<u>\$ 306,516</u>	<u>\$ 322,006</u>	<u>\$ 336,783</u>	<u>\$ 364,710</u>
District-wide					
Net Investment in Capital Assets	\$ 4,099,140	\$ 4,183,245	\$ 4,596,389	\$ 4,471,889	\$ 4,714,038
Restricted	57,896	783,856	2,015,681	2,785,800	3,429,754
Unrestricted/(Deficit)	(389,699)	72,103	(203,934)	(6,641,219)	(6,331,175)
Total District Net Position	<u>\$ 3,767,337</u>	<u>\$ 5,039,204</u>	<u>\$ 6,408,136</u>	<u>\$ 616,470</u>	<u>\$ 1,812,617</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT,

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2016	2017	2018	2019	2020
Governmental Activities					
Net Investment in Capital Assets	\$ 5,360,753	\$ 5,881,645	\$ 5,981,976	\$ 6,247,652	\$ 6,709,860
Restricted	3,691,146	4,111,516	4,670,087	3,832,735	4,781,680
Unrestricted/(Deficit)	(7,024,574)	(7,596,477)	(7,581,360)	(7,200,125)	(6,851,016)
Total Governmental Activities Net Position	\$ 2,027,325	\$ 2,396,684	\$ 3,070,703	\$ 2,880,262	\$ 4,640,524
Business-type Activities					
Investment in Capital Assets	\$ 36,263	\$ 33,354	\$ 26,975	\$ 51,665	\$ 72,849
Unrestricted	350,610	336,727	314,392	248,931	181,876
Total Business-type Activities Net Position	\$ 386,873	\$ 370,081	\$ 341,367	\$ 300,596	\$ 254,725
District-wide					
Net Investment in Capital Assets	\$ 5,397,016	\$ 5,914,999	\$ 6,008,951	\$ 6,299,317	\$ 6,782,709
Restricted	3,691,146	4,111,516	4,670,087	3,832,735	4,781,680
Unrestricted/(Deficit)	(6,673,964)	(7,259,750)	(7,266,968)	(6,951,194)	(6,669,140)
Total District Net Position	\$ 2,414,198	\$ 2,766,765	\$ 3,412,070	\$ 3,180,858	\$ 4,895,249

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities					
Instruction:					
Regular	\$ 8,175,506	\$ 8,149,112	\$ 8,550,999	\$ 8,339,942	\$ 9,386,010
Special Education	5,694,972	5,727,953	5,649,850	5,396,907	6,147,885
Other Special Instruction	242,415	464,341	374,589	397,758	240,738
School Sponsored/Other Instruction	71,528	105,493	87,833	114,219	204,447
Support Services:					
Tuition	271,620	257,397	379,599	408,959	543,788
Student & Instruction Related Services	3,065,680	3,068,148	3,060,216	3,126,936	3,513,977
General Administrative Services	506,152	524,771	514,184	509,594	550,495
School Administrative Services	929,181	1,022,110	1,024,393	1,044,383	1,090,413
Central Services	383,641	305,373	290,377	292,390	434,597
Administrative Information Technology	185,099	283,268	281,431	339,086	303,185
Plant Operations and Maintenance	1,906,119	1,859,114	1,681,990	1,767,311	1,923,511
Pupil Transportation	1,886,187	1,966,495	1,932,957	1,962,766	1,923,286
Transfer of Funds to Charter School	548,659	445,150	649,150	768,831	778,092
Unallocated Depreciation	212,038	214,594	235,956	258,381	283,294
Capital Outlay	1,034				
Total Governmental Activities Expenses	24,079,831	24,393,319	24,713,524	24,727,463	27,323,718

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Business-type Activities:					
Food Service	\$ 383,217	\$ 399,442	\$ 394,381	\$ 375,682	\$ 346,436
Care Program	119,857	164,276	131,740	115,623	122,567
Total Business-type Activities Expense	503,074	563,718	526,121	491,305	469,003
Total District Expenses	\$ 24,582,905	\$ 24,957,037	\$ 25,239,645	\$ 25,218,768	\$ 27,792,721
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)	\$ 114,146	\$ 153,395	\$ 144,656	\$ 61,977	
Transportation Fees	4,270	48,557		53,268	
Operating Grants and Contributions	3,941,493	4,461,440	4,656,823	4,248,970	\$ 6,856,688
Total Governmental Activities Program Revenues	4,059,909	4,663,392	4,801,479	4,364,215	6,856,688
Business-type Activities:					
Charges for Services:					
Food Service	238,723	236,336	212,540	203,972	175,445
Care Program	121,900	164,718	140,229	115,293	138,521
Operating Grants and Contributions	155,451	184,620	188,638	186,616	182,707
Total Business-type Activities Program Revenues	516,074	585,674	541,407	505,881	496,673
Total District Program Revenues	\$ 4,575,983	\$ 5,249,066	\$ 5,342,886	\$ 4,870,096	\$ 7,353,361
Net (Expense)/Revenue	\$ (20,019,922)	\$ (19,729,927)	\$ (19,912,045)	\$ (20,363,248)	\$ (20,467,030)
Governmental Activities	13,000	21,956	15,286	14,576	27,670
Business-Type Activities	\$ (20,006,922)	\$ (19,707,971)	\$ (19,896,759)	\$ (20,348,672)	\$ (20,439,360)
Total District-Wide Net Expense					

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 14,570,561	\$ 14,716,267	\$ 15,010,592	\$ 15,010,592	\$ 15,310,804
Unrestricted Grants and Contributions	5,710,842	6,182,065	5,986,019	6,194,580	6,259,289
Miscellaneous Income	94,156	81,287	67,421	175,939	65,157
Other Item:					
Cancellation of Prior Year Accounts Payable			201,455		
Cancellation of Prior Year Interfund Payable					
Total Governmental Activities	<u>20,375,559</u>	<u>20,979,619</u>	<u>21,265,487</u>	<u>21,381,111</u>	<u>21,635,250</u>
Business-type Activities:					
Interest Income	338	219	204	201	257
Total Business-Type Activities	<u>338</u>	<u>219</u>	<u>204</u>	<u>201</u>	<u>257</u>
Total District-Wide	<u>\$ 20,375,897</u>	<u>\$ 20,979,838</u>	<u>\$ 21,265,691</u>	<u>\$ 21,381,312</u>	<u>\$ 21,635,507</u>
Change in Net Position					
Governmental Activities	\$ 355,637	\$ 1,249,692	\$ 1,353,442	\$ 1,017,863	\$ 1,168,220
Business-type Activities	13,338	22,175	15,490	14,777	27,927
Total District	<u>\$ 368,975</u>	<u>\$ 1,271,867</u>	<u>\$ 1,368,932</u>	<u>\$ 1,032,640</u>	<u>\$ 1,196,147</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
Instruction:					
Regular	\$ 10,110,172	\$ 10,899,507	\$ 11,078,743	\$ 10,255,051	\$ 8,805,516
Special Education	6,305,932	6,799,286	6,754,881	6,504,414	6,246,371
Other Special Instruction	359,275	459,473	655,672	644,500	591,227
School Sponsored/Other Instruction	213,454	225,918	350,737	292,546	248,506
Support Services:					
Tuition	730,477	703,092	419,181	510,811	447,102
Student & Instruction Related Services	4,049,811	4,517,681	5,003,519	4,608,302	3,915,729
General Administrative Services	583,752	594,740	663,506	651,284	618,748
School Administrative Services	1,119,758	1,267,044	1,354,059	1,170,361	920,969
Central Services	470,012	504,295	528,495	477,838	431,094
Administrative Information Technology	314,352	249,937	241,778	220,478	244,210
Plant Operations and Maintenance	2,153,881	2,202,076	2,338,916	2,323,621	2,011,461
Pupil Transportation	1,906,495	2,003,454	1,843,522	1,837,694	1,529,080
Transfer of Funds to Charter School	718,282	744,422	570,457	810,925	717,530
Unallocated Depreciation	331,462	368,667	406,714	411,506	481,399
Capital Outlay		1,273	48,174	105,405	17,335
Total Governmental Activities Expenses	<u>29,367,115</u>	<u>31,540,865</u>	<u>32,258,354</u>	<u>30,824,736</u>	<u>27,226,277</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Business-type Activities:					
Food Service	\$ 348,186	\$ 343,679	\$ 323,024	\$ 342,788	\$ 288,190
Care Program	125,903	170,717	174,585	167,852	114,166
Total Business-type Activities Expense	474,089	514,396	497,609	510,640	402,356
Total District Expenses	\$ 29,841,204	\$ 32,055,261	\$ 32,755,963	\$ 31,335,376	\$ 27,628,633
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)	\$ 43,179	\$ 128,426	\$ 77,523	\$ 46,647	\$ 51,489
Transportation Fees	86,841	84,396	76,485	78,654	77,036
Operating Grants and Contributions	7,877,610	9,780,109	11,274,867	9,161,556	7,358,349
Total Governmental Activities Program Revenues	8,007,630	9,992,931	11,428,875	9,286,857	7,486,874
Business-type Activities:					
Charges for Services:					
Food Service	173,167	162,973	153,065	161,161	99,457
Care Program	160,837	153,207	142,356	135,053	104,673
Operating Grants and Contributions	161,976	181,142	173,179	173,333	150,898
Total Business-type Activities Program Revenues	495,980	497,322	468,600	469,547	355,028
Total District Program Revenues	\$ 8,503,610	\$ 10,490,253	\$ 11,897,475	\$ 9,756,404	\$ 7,841,902
Net (Expense)/Revenue	\$ (21,359,485)	\$ (21,547,934)	\$ (20,829,479)	\$ (21,537,879)	\$ (19,739,403)
Governmental Activities	21,891	(17,074)	(29,009)	(41,093)	(47,328)
Business-Type Activities	\$ (21,337,594)	\$ (21,565,008)	\$ (20,858,488)	\$ (21,578,972)	\$ (19,786,731)
Total District-Wide Net Expense					

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 15,617,020	\$ 15,546,520	\$ 15,130,100	\$ 15,232,726	\$ 15,800,221
Unrestricted Grants and Contributions	6,266,361	6,296,006	6,164,414	5,971,294	5,528,615
Miscellaneous Income	55,522	74,767	208,984	66,418	167,660
Other Item:					
Cancellation of Prior Year Accounts Payable				77,000	3,169
Cancellation of Prior Year Interfund Payable					
Total Governmental Activities	<u>21,938,903</u>	<u>21,917,293</u>	<u>21,503,498</u>	<u>21,347,438</u>	<u>21,499,665</u>
Business-type Activities:					
Interest Income	272	282	295	322	1,457
Total Business-Type Activities	<u>272</u>	<u>282</u>	<u>295</u>	<u>322</u>	<u>1,457</u>
Total District-Wide	<u>\$ 21,939,175</u>	<u>\$ 21,917,575</u>	<u>\$ 21,503,793</u>	<u>\$ 21,347,760</u>	<u>\$ 21,501,122</u>
Change in Net Position					
Governmental Activities	\$ 579,418	\$ 369,359	\$ 674,019	\$ (190,441)	\$ 1,760,262
Business-type Activities	22,163	(16,792)	(28,714)	(40,771)	(45,871)
Total District	<u>\$ 601,581</u>	<u>\$ 352,567</u>	<u>\$ 645,305</u>	<u>\$ (231,212)</u>	<u>\$ 1,714,391</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	June 30,				
	2011	2012	2013	2014	2015
General Fund					
Restricted	\$ 57,896	\$ 783,856	\$ 2,015,681	\$ 2,785,800	\$ 3,429,754
Assigned		341,972	130,498	156,826	441,568
Unassigned/(Deficit)	(9,429)				
Total General Fund	\$ 48,467	\$ 1,125,828	\$ 2,146,179	\$ 2,942,626	\$ 3,871,322
All Other Governmental Funds					
Committed		\$ 20,000	\$ 20,000	\$ 27,637	\$ 27,637
Total All Other Governmental Funds	\$ -0-	\$ 20,000	\$ 20,000	\$ 27,637	\$ 27,637
Total Governmental Funds	\$ 48,467	\$ 1,145,828	\$ 2,166,179	\$ 2,970,263	\$ 3,898,959

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,				
	2016	2017	2018	2019	2020
General Fund					
Restricted	\$ 3,691,146	\$ 4,111,516	\$ 4,670,087	\$ 3,832,735	\$ 4,781,680
Assigned	235,562	255,329	487,014	789,987	693,510
Unassigned/(Deficit)				77,540	346,548
Total General Fund	<u>\$ 3,926,708</u>	<u>\$ 4,366,845</u>	<u>\$ 5,157,101</u>	<u>\$ 4,700,262</u>	<u>\$ 5,821,738</u>
All Other Governmental Funds					
Committed	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>
Total All Other Governmental Funds	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>
Total Governmental Funds	<u>\$ 3,954,345</u>	<u>\$ 4,394,482</u>	<u>\$ 5,184,738</u>	<u>\$ 4,727,899</u>	<u>\$ 5,849,375</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Revenues					
Tax Levy	\$ 14,570,561	\$ 14,716,267	\$ 15,010,592	\$ 15,010,592	\$ 15,310,804
Tuition Charges	114,146	153,395	144,656	61,977	
Transportation Fees	4,270	48,557		53,268	
State Sources	8,912,886	9,559,972	9,783,139	9,714,372	10,074,504
Federal Sources	733,399	1,083,034	859,703	729,078	737,985
Miscellaneous	80,518	81,786	67,421	176,039	65,157
Total Revenue	24,415,780	25,643,011	25,865,511	25,745,326	26,188,450
Expenditures					
Instruction					
Regular Instruction	5,665,603	5,517,365	5,746,723	5,776,888	5,830,314
Special Education Instruction	3,965,740	3,925,211	3,918,103	3,786,346	3,894,236
Other Special Instruction	162,317	326,961	253,992	267,191	182,566
School-Sponsored/Other Instruction	48,583	48,405	53,855	80,265	93,912
Support Services:					
Tuition	271,620	257,397	379,599	408,959	543,788
Student & Other Instruction Related Services	2,184,446	2,156,755	2,184,682	2,259,235	2,342,721
General Administrative Services	454,837	464,349	448,139	442,132	466,473
School Administrative Services	658,132	684,091	697,032	720,727	689,019
Central Services	283,560	247,816	245,837	244,932	299,833
Administrative Information Technology	157,274	254,642	250,927	303,537	260,961
Plant Operations and Maintenance	1,624,296	1,570,524	1,444,891	1,522,384	1,552,161
Student Transportation	1,741,345	1,756,419	1,718,613	1,697,806	1,620,347

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2011	2012	2013	2014	2015
Expenditures					
Employee Benefits	\$ 6,170,756	\$ 6,513,736	\$ 6,275,342	\$ 6,060,598	\$ 6,021,058
Capital Outlay	233,087	376,829	779,730	601,411	684,273
Transfer of Funds to Charter School	548,659	445,150	649,150	768,831	778,092
Total Expenditures	<u>24,170,255</u>	<u>24,545,650</u>	<u>25,046,615</u>	<u>24,941,242</u>	<u>25,259,754</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	245,525	1,097,361	818,896	804,084	928,696
Other Financing Sources/(Uses)					
Cancellation of Prior Year Accounts Payable			201,455		
Cancellation of Prior Year Due to Grantor	19,688				
Total Other Financing Sources/(Uses)	<u>19,688</u>		<u>201,455</u>		
Net Change in Fund Balances	<u>\$ 265,213</u>	<u>\$ 1,097,361</u>	<u>\$ 1,020,351</u>	<u>\$ 804,084</u>	<u>\$ 928,696</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Revenues					
Tax Levy	\$ 15,617,020	\$ 15,546,520	\$ 15,130,100	\$ 15,232,726	\$ 15,800,221
Tuition Charges	43,179	128,426	77,523	46,647	51,489
Transportation Fees	86,841	84,396	76,485	78,654	77,036
State Sources	10,452,114	10,786,380	10,953,244	11,551,522	11,377,371
Federal Sources	645,316	634,710	813,589	766,381	566,259
Miscellaneous	55,522	74,767	208,984	69,010	167,660
Total Revenue	26,899,992	27,255,199	27,259,925	27,744,940	28,040,036
Expenditures					
Instruction					
Regular Instruction	6,025,010	5,693,620	5,634,659	5,795,601	5,224,477
Special Education Instruction	3,651,112	3,795,004	3,352,583	3,570,348	3,631,785
Other Special Instruction	255,162	281,210	405,364	457,044	455,167
School-Sponsored/Other Instruction	84,772	87,757	101,339	93,180	76,406
Support Services:					
Tuition	730,477	703,092	419,181	510,811	447,102
Student & Other Instruction Related Services	2,595,077	2,631,997	2,810,817	2,828,637	2,556,997
General Administrative Services	471,737	438,449	499,121	511,463	506,792
School Administrative Services	674,856	711,550	720,636	695,954	575,206
Central Services	310,922	304,586	306,035	317,232	310,822
Administrative Information Technology	261,226	187,184	170,715	168,760	203,828
Plant Operations and Maintenance	1,694,577	1,696,499	1,707,667	1,857,287	1,652,670
Student Transportation	1,542,729	1,603,296	1,457,778	1,575,867	1,354,390

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

(Continued)

	Fiscal Year Ending June 30,				
	2016	2017	2018	2019	2020
Expenditures					
Employee Benefits	\$ 6,644,444	\$ 6,911,193	\$ 7,662,161	\$ 8,242,289	\$ 8,140,627
Capital Outlay	1,184,223	1,025,203	651,156	843,381	1,067,930
Transfer of Funds to Charter School	718,282	744,422	570,457	810,925	717,530
Total Expenditures	<u>26,844,606</u>	<u>26,815,062</u>	<u>26,469,669</u>	<u>28,278,779</u>	<u>26,921,729</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	<u>55,386</u>	<u>440,137</u>	<u>790,256</u>	<u>(533,839)</u>	<u>1,118,307</u>
Other Financing Sources/(Uses)					
Cancellation of Prior Year Interfund/Accounts Payable				77,000	3,169
Cancellation of Prior Year Due to Grantor					
Total Other Financing Sources/(Uses)				<u>77,000</u>	<u>3,169</u>
Net Change in Fund Balances	<u>\$ 55,386</u>	<u>\$ 440,137</u>	<u>\$ 790,256</u>	<u>\$ (456,839)</u>	<u>\$ 1,121,476</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transportation</u> <u>Revenue</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 3,494	\$ 114,146	\$ 4,270		\$ 70,974	\$ 192,884
2012	4,739	153,395	48,557		56,548	263,239
2013	7,232	144,656			60,189	212,077
2014	7,777	61,977	53,268		117,482	240,504
2015	4,426				60,731	65,157
2016	9,372	43,179	86,841		46,150	185,542
2017	10,339	128,426	84,396		64,428	287,589
2018	11,865	77,523	76,485	\$ 60,053	137,066 *	362,992
2019	11,170	46,647	78,654	17,480	37,768	191,719
2020	59,525	51,489	77,036	40,386	67,749	296,185

* Includes cancellation of prior year accounts payable of \$44,273.

Source: School District records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.
 LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
<u>Borough of Sussex</u>												
2010	\$ 994,800	\$ 53,417,900	\$ 373,900	\$ 20,400	\$ 16,600,200	\$ 474,100	\$ 6,896,000	\$ 78,777,300	\$ 857,595	\$ 79,634,895	\$ 2.62	\$ 161,479,129
2011	960,900	53,446,500	373,900	20,400	16,533,600	474,100	6,896,000	78,705,400	717,621	79,423,021	2.71	142,202,611
2012	963,700	53,339,500	373,900	20,400	16,533,600	474,100	6,896,000	78,601,200	505,353	79,106,553	2.73	144,178,764
2013	* 1,732,400	81,631,500	640,100	21,500	25,708,300	721,600	16,707,400	127,162,800	662,927	127,825,727	1.75	132,158,837
2014	1,804,600	80,772,200	640,100	21,500	25,254,600	787,300	16,234,700	125,515,000	835,798	126,350,798	1.74	123,628,837
2015	1,838,400	80,688,700	640,100	21,500	24,735,400	787,300	16,190,200	124,901,600	1,107,571	126,009,171	1.76	125,959,230
2016	1,791,200	80,820,200	640,100	21,500	24,657,400	787,300	14,503,400	123,221,100	-0-	123,221,100	1.87	127,045,159
2017	1,791,200	80,740,000	640,100	21,500	26,734,600	787,300	14,484,100	125,198,800	-0-	125,198,800	1.84	130,280,646
2018	2,370,700	80,386,800	640,100	20,700	25,456,500	787,300	14,484,100	124,346,200	-0-	124,346,200	1.86	126,728,700
2019	2,250,900	80,462,800	640,100	22,100	25,350,100	787,300	14,484,100	123,997,400	-0-	123,997,400	1.83	127,638,746
<u>Township of Wantage</u>												
2010	\$ 55,259,940	\$ 1,122,400,900	\$ 148,895,700	\$ 7,579,076	\$ 115,230,735	\$ 761,300	\$ 5,822,300	\$ 1,455,949,951	\$ 3,113,073	\$ 1,459,063,024	\$ 1.40	\$ 1,460,073,411
2011	51,572,340	1,118,998,800	151,709,500	7,728,476	114,954,935	961,300	5,822,300	1,451,747,651	3,405,033	1,455,152,684	1.40	1,375,590,329
2012	45,769,389	1,065,045,000	152,009,100	7,633,487	114,722,735	961,300	5,822,300	1,391,963,311	3,619,926	1,395,583,237	1.48	1,276,603,496
2013	42,071,360	1,057,651,000	150,677,900	7,677,793	114,525,205	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	1.49	1,212,594,551
2014	* 30,572,600	899,760,106	133,737,300	7,501,900	116,927,091	1,541,400	11,621,250	1,201,661,647	3,383,457	1,205,045,104	1.72	1,195,626,385
2015	30,651,700	899,500,006	133,712,100	7,500,200	116,927,091	1,541,400	11,621,250	1,201,453,747	3,805,642	1,205,259,389	1.77	1,188,264,413
2016	29,938,700	898,143,806	134,981,300	7,172,500	116,639,030	1,541,400	11,621,200	1,200,037,936	-0-	1,200,037,936	1.83	1,167,238,533
2017	29,631,300	899,354,006	134,672,100	7,014,152	114,342,284	1,541,400	11,621,200	1,198,176,442	-0-	1,198,176,442	1.76	1,169,093,206
2018	31,423,050	898,028,906	134,724,100	6,944,872	112,741,984	1,541,400	13,521,200	1,198,925,512	-0-	1,198,925,512	1.73	1,273,420,618
2019	32,050,650	897,450,506	134,527,100	6,968,972	112,958,834	1,541,400	15,896,200	1,201,393,662	-0-	1,201,393,662	1.76	1,279,831,695

* Revaluation was effective in this year.

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

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

^b Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessor

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Obligation Debt Service ^b	Total Direct Tax Rate	Municipality	Sussex County	
<u>Borough of Sussex</u>						
2010	\$ 2.615	\$ -0-	\$ 2.615	\$ 0.912	\$ 0.820	\$ 4.347
2011	2.707	-0-	2.707	0.982	0.774	4.463
2012	2.731	-0-	2.731	1.006	0.848	4.585
2013	* 1.752	-0-	1.752	0.668	0.509	2.929
2014	1.743	-0-	1.743	0.673	0.499	2.915
2015	1.755	-0-	1.755	0.729	0.509	2.993
2016	1.865	-0-	1.865	0.752	0.558	3.175
2017	1.836	-0-	1.836	0.758	0.596	3.190
2018	1.857	-0-	1.857	0.782	0.626	3.265
2019	1.827	-0-	1.827	0.797	0.597	3.221
<u>Township of Wantage</u>						
2010	\$ 1.395	\$ -0-	\$ 1.395	\$ 0.238	\$ 0.403	\$ 2.036
2011	1.398	-0-	1.398	0.246	0.408	2.052
2012	1.475	-0-	1.475	0.240	0.422	2.137
2013	1.492	-0-	1.492	0.245	0.431	2.168
2014	* 1.721	-0-	1.721	0.280	0.519	2.520
2015	1.774	-0-	1.774	0.300	0.513	2.587
2016	1.827	-0-	1.827	0.300	0.546	2.673
2017	1.764	-0-	1.764	0.294	0.557	2.615
2018	1.730	-0-	1.730	0.299	0.575	2.604
2019	1.762	-0-	1.762	0.308	0.617	2.687

* Revaluation was effective in this year.

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

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

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

Source: Municipal Tax Collector and School Business Administrator

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2020		2011	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
	Rank		Rank
	% of Total District Net Assessed Value		% of Total District Net Assessed Value
<u>Borough of Sussex</u>			
Alpine Village Apt LLC	\$ 7,807,400	Alpine Village Apt LLC	\$ 4,142,300
Jimkev Realty, LLC	3,700,000	Wilson Manor Associates, LLC	2,122,700
MPT of Morris, LLC	2,100,000	Cloverleaf Realty of NJ, Inc	1,239,900
Franklin Sussex Realty, LLC	1,929,500	Rand, LLC	958,400
Individual Taxpayer #1	1,702,800	United Telephone Co. of NJ, Inc.	857,595
Sussex Plaza Realty, LLC	1,170,600	Sussex Creamery, LLC	671,600
Great George Holdings, LLC	1,046,800	Sussex Plaza Realty, LLC	604,300
RBND, LLC	985,600	Marvel Partners, LLC	575,080
Munson Street Development, LLC	894,200	JP Morgan Chase & Co	506,900
JP Morgan Chase & Co	859,300	United Telephone Co. of NJ	496,800
Total	\$ 22,196,200	Total	\$ 12,175,575
	17.88%		15.29%
<u>Township of Wantage</u>			
Main Land Sussex Co	\$ 11,449,000	Wantage 2002, LLC	\$ 11,661,300
Tenneco, Inc.	11,213,700	Main Land Sussex Co	9,620,000
Mountain View Manor	9,622,500	Tenneco, Inc	9,044,500
Wantage 2002, LLC	9,500,000	Regency at Sussex	4,400,000
Regency Apartments	6,101,500	United Telephone Co. of NJ	3,113,075
Town Center at Wantage Inc.	4,707,900	P S, LLC	3,044,600
Space Farms	4,391,500	Ames Rubber Corp.	3,000,000
375 Route 23 Realty, LLC	2,844,100	Sussex Rural Electric Corp	2,859,900
Moove in of New Jersey, LLC	2,838,300	Individual Taxpayer #1	2,500,000
Ames Rubber Corp.	2,801,800	ARA 775, LLC	2,234,400
Total	\$ 65,470,300	Total	\$ 51,477,775
	5.45%		3.53%

Source: Municipal Tax Assessors

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 14,570,561	\$ 14,570,561	100.00%	\$ -0-
2012	14,716,267	14,716,267	100.00%	-0-
2013	15,010,592	15,010,592	100.00%	-0-
2014	15,010,592	14,887,800	99.18%	122,792
2015	15,310,804	15,310,804	100.00%	-0-
2016	15,617,020	15,617,020	100.00%	-0-
2017	15,546,520	15,546,520	100.00%	-0-
2018	15,130,100	15,130,100	100.00%	-0-
2019	15,232,726	15,232,726	100.00%	-0-
2020	15,800,221	15,800,221	100.00%	-0-

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities						Total District	Percentage of Personal Income ^a	Debt Per Capita ^a
	Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Business-Type Activities Capital Leases				
2011	-0-	-0-	\$ 171,130	-0-	-0-	\$ 171,130	0.0267%	\$ 12.66	
2012	-0-	-0-	103,462	-0-	-0-	103,462	0.0157%	7.70	
2013	-0-	-0-	37,499	-0-	-0-	37,499	0.0055%	2.81	
2014	-0-	-0-	2,957	-0-	-0-	2,957	0.0004%	0.22	
2015	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2016	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2017	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2018	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2019	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	
2020	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-	

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	-0-	-0-	-0-	0.00%	-0-
2012	-0-	-0-	-0-	0.00%	-0-
2013	-0-	-0-	-0-	0.00%	-0-
2014	-0-	-0-	-0-	0.00%	-0-
2015	-0-	-0-	-0-	0.00%	-0-
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-
2018	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	0.00%	-0-
2020	-0-	-0-	-0-	0.00%	-0-

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Borough of Sussex	\$ 703,000	100.00%	\$ 703,000
Township of Wantage	7,596,069	100.00%	7,596,069
Sussex County General Obligation Debt (Borough Share)	99,441,765	0.71%	709,234
Sussex County General Obligation Debt (Township Share)	99,441,765	6.91%	<u>6,871,675</u>
Subtotal, Overlapping Debt			15,879,978
Sussex-Wantage Regional School District Direct Debt			<u>-0-</u>
Total Direct and Overlapping Debt			<u>\$ 15,879,978</u>

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

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

Equalized Valuation Basis:

	Legal Debt Margin Calculation for Fiscal Year 2020		
	Sussex Borough	Wantage Township	Total
2019	\$ 130,496,106	\$ 1,252,887,331	\$ 1,383,383,437
2018	126,728,700	1,273,420,618	1,400,149,318
2017	136,130,042	1,188,077,781	1,324,207,823
	<u>\$ 393,354,848</u>	<u>\$ 3,714,385,730</u>	<u>\$ 4,107,740,578</u>
Average Equalized Valuation of Taxable Property			<u>\$ 1,369,246,859</u>
Debt Limit (3% of average equalization value ^a)			\$ 41,077,406
Net Bonded Debt as of June 30, 2020			-0-
Legal Debt Margin			<u>\$ 41,077,406</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 47,971,186	\$ 45,861,790	\$ 43,251,290	\$ 41,108,009	\$ 39,604,062
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 47,971,186</u>	<u>\$ 45,861,790</u>	<u>\$ 43,251,290</u>	<u>\$ 41,108,009</u>	<u>\$ 39,604,062</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 39,206,389	\$ 39,183,210	\$ 39,162,619	\$ 40,186,408	\$ 41,077,406
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 39,206,389</u>	<u>\$ 39,183,210</u>	<u>\$ 39,162,619</u>	<u>\$ 40,186,408</u>	<u>\$ 41,077,406</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable other districts.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Wantage Township

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	\$ 11,326	\$ 556,027,318	\$ 49,093	11.90%
2012	11,234	571,181,496	50,844	11.80%
2013	11,166	574,557,696	51,456	7.70%
2014	11,148	599,963,064	53,818	7.90%
2015	11,022	613,671,894	55,677	5.10%
2016	10,944	622,866,816	56,914	4.70%
2017	10,895	639,721,715	58,717	4.30%
2018	10,853	670,248,721	61,757	3.90%
2019	10,902	673,274,814 ***	61,757 *	3.50%
2020	10,902 **	673,274,814 ***	61,757 *	N/A

Sussex Borough

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	\$ 2,117	\$ 103,929,881	\$ 49,093	10.20%
2012	2,097	106,619,868	50,844	10.10%
2013	2,076	106,822,656	51,456	8.80%
2014	2,055	110,595,990	53,818	6.70%
2015	2,031	113,079,987	55,677	6.90%
2016	2,017	114,795,538	56,914	5.70%
2017	2,005	117,727,585	58,717	5.80%
2018	1,995	123,205,215	61,757	5.30%
2019	1,985	122,587,645 ***	61,757 *	4.90%
2020	1,985 **	122,587,645 ***	61,757 *	N/A

* - Latest Sussex County per capita personal income available (2018) was used for calculation purposes.

** - Latest population data available (2019) was used for calculation purposes.

*** - Latest Sussex County personal income available (2018) and latest population data available (2019) was used for calculation purposes.

N/A - Information Not Available

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

^c Per capita personal income for Sussex County is estimated based upon the 2000 Census published

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2019	
	Employees	Percentage of Total Employment
Selective Insurance Group Inc.	1,000-4,999	1.43%-7.17%
Crystal Springs Resort	1,000-4,999	0.72%-1.43%
Newton Medical Center	500-999	0.72%-1.43%
Sussex County Offices	500-999	0.36%-0.72%
Thorlabs	500-999	0.14%-0.36%
Mountain Creek Resort	500-999	0.14%-0.36%
Shop Rite	250-499	0.14%-0.36%
Sussex County Community College	250-499	0.14%-0.36%
United Methodist Community Bristol Glen	250-499	0.14%-0.36%
Andover Subacute & Rehab Center	100-249	0.14%-0.36%
	<u>2,850-8,990</u>	<u>6.96%-22.59%</u>
	<u>71,425</u>	
Employer	2010	
	Employees	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	2.61%
Newton Memorial Hospital	1,490	1.94%
Selective Insurance	900	1.17%
County of Sussex	830	1.08%
Mountain Creek Resort	800	1.04%
Shop Rite (Ronetco)	697	0.91%
Ames Rubber Corp	445	0.58%
Walmart	412	0.54%
Andover Subacute & Rehab Center	300	0.39%
Sussex County Community College	300	0.39%
	<u>8,174</u>	<u>10.65%</u>
Total Employment	<u>76,713</u>	

Source: Sussex County Chamber of Commerce

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction	77.0	77.7	76.0	73.4	75.1	77.0	75.5	76.5	74.9	70.9
Regular	37.8	39.5	37.5	35.5	35.5	34.0	37.0	33.0	30.5	31.5
Special Education	44.5	46.9	46.5	45.3	40.3	48.5	47.5	44.1	50.4	46.6
Other Instruction										
Support Services:										
Student & Instruction Related Services	30.1	29.9	29.0	28.6	27.4	27.0	26.0	31.0	30.0	30.0
General and Business Administrative Services	6.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.4	6.5
School Administrative Services	4.0	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Other Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Administrative Information Technology	1.5	2.0	2.0	2.0	3.5	4.0	4.0	4.0	3.5	3.3
Transportation	15.8	15.8	15.8	15.8	15.5	15.5	15.5	15.5	15.5	13.5
Plant Operations and Maintenance	18.8	18.8	18.8	18.8	17.3	17.0	16.7	16.7	20.2	20.2
Total	242.0	247.4	242.6	236.4	231.6	240.0	239.2	237.8	242.4	231.5

Source: School District Personnel Records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2011	1,511	\$ 23,937,168	\$ 15,842	-3.18%	129	11.8:1	10.7:1	1,473	1,398	-3.79%	94.91%
2012	1,433	24,168,821	16,866	6.46%	137	11.1:1	11.0:1	1,382	1,315	-6.18%	95.15%
2013	1,360	24,266,885	17,843	5.80%	133	10.1:1	11.7:1	1,315	1,248	-4.85%	94.90%
2014	1,277	24,339,831	19,060	6.82%	135	9.2:1	9.8:1	1,227	1,169	-6.69%	95.27%
2015	1,199	24,575,481	20,497	7.54%	137	10.3:1	10.3:1	1,155	1,106	-5.87%	95.76%
2016	1,110	25,660,383	23,117	12.79%	138	9.6:1	9.6:1	1,072	1,021	-7.19%	95.24%
2017	1,096	25,789,859	23,531	1.79%	139	9.3:1	9.3:1	1,059	1,008	-1.21%	95.18%
2018	1,033	25,818,513	24,994	6.22%	137.5	7.5:1	7.5:1	1,020	966	-3.68%	94.71%
2019	1,037	27,435,398	26,457	5.85%	133.4	8.2:1	7.6:1	1,037	984	1.67%	94.89%
2020	1,041	25,853,799	24,836	-6.13%	130	8.5:1	7.0:1	1,038	998	0.10%	96.15%

Note:

- a Operating expenditures equal total expenditures less debt service and capital outlay
- b Cost per pupil represents operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Elementary</u>										
Clifton E. Lawrence Elementary School										
Square Feet	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	454	399	395	366	379	366	361	331	353	376
Wantage Elementary School										
Square Feet	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	521	485	413	408	359	357	345	341	356	338
<u>Middle School</u>										
Sussex Middle School										
Square Feet	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489
Capacity (students)	612	612	612	612	612	612	612	612	612	612
Enrollment	536	540	552	503	461	387	390	361	328	327
<u>Other</u>										
Environmental Trails Center										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Schools										
Elementary = 2										
Middle School = 1										
N/A - Not Applicable										

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

Fiscal Year Ended June 30,	Lawrence	Sussex	Wantage	Environmental Trail Center	Board Office	Total
2011	\$ 157,826	\$ 155,244	\$ 123,334	\$ 2,209	\$ 7,838	\$ 446,451
2012	139,784	170,175	117,172	804	6,402	434,337
2013	146,980	173,641	127,965	766	7,443	456,795
2014	137,091	154,466	122,818	968	5,813	421,156
2015	169,275	185,583	136,700	5,889	7,196	504,643
2016	158,199	186,966	161,727	10,101	9,150	526,143
2017	153,370	175,923	132,841	919	14,607	477,660
2018	165,921	146,218	116,178	855	7,706	436,878
2019	177,685	184,622	120,237	804	10,006	493,354
2020	130,688	149,240	121,081	821	5,133	406,963

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

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2020
UNAUDITED

<u>SCHOOL ALLIANCE INSURANCE FUND:</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy	\$ 500,000,000 Occurrence	
Building and Personal Property		\$ 2,500
Auto Physical Damage		1,000
General Liability including Auto, Employee Benefits	5,000,000	
Each Occurrence		
General Aggregate	Agreed upon based on membership.	
Product Completed Operations		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Automobile Coverage		
Combined Single Limit		
Hired/Non Owned		
Security Guard Liability	Included	
Environmental Impairment Liability	1,000,000/25,000,000 Fund Aggregate	10,000
First Party Cleanup	\$100,000 Fungi & Legionella	100,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500
Excess Liability (AL/GL)	5,000,000	
School Board Legal (SLPL)	5,000,000	10,000
Cyber Liability	2,000,000 Per Occurrence/Aggregate	10,000
Workers' Compensation	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
<u>SELECTIVE INSURANCE:</u>		
Treasurer of School Monies Bond Limit	250,000 Selective Insurance	
Business Administrator/Board Secretary		
Bond Limit	50,000 Selective Insurance	
<u>BOLLINGER</u>		
Student Accident Coverage	All students and athletes	1,000,000 Full excess

Source: School District records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage Regional School District, in the County of Sussex (the "Board") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 15, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of the 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.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

December 15, 2020
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

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Independent Member
BKR International

Report on Compliance For Each Major State Program;
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
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Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

December 15, 2020
Mount Arlington, New Jersey

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SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019			Repayment of Prior Years' Balances	Balance, June 30, 2020			
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor		Budgetary Unearned Revenue	Budgetary Accounts Receivable	Due to Grantor	Amounts Provided to Subrecipients
<u>U.S. Department of Agriculture:</u>												
Passed-through State Department of Education: Enterprise Fund												
Child Nutrition Cluster:												
	10.555	N/A	7/1/19-6/30/20	\$ 24,988	\$ 24,988	\$ (17,575)	\$ 7,413					
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	26,211	\$ 4,885	(4,885)						
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	79,213		(79,213)						
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	117,622	\$ (8,948)	8,948						
COVID-19 - Seamless Summer Option	10.555	N/A	3/18/20-6/30/20	18,388		(18,388)			\$ (5,237)			
School Breakfast Program	10.553	N/A	7/1/19-6/30/20	16,737		(16,737)						
School Breakfast Program	10.553	N/A	7/1/18-6/30/19	26,066	(2,197)	2,197						
COVID-19 - Seamless Summer Option	10.553	N/A	3/1/20-6/30/20	11,625	(11,145)	8,314			(3,311)			
Total Child Nutrition Cluster					(11,145)	(148,423)	7,413		(8,548)			
Total Enterprise Fund					(11,145)	(148,423)	7,413		(8,548)			
<u>U.S. Department of Education:</u>												
Passed-through State Department of Education: Special Revenue Fund												
Elementary and Secondary Education Act Consolidated:												
Title I	84.010A	ESEA5100-20	7/1/19-9/30/20	159,981		(156,117)			(88,452)			
Title I	84.010A	ESEA5100-19	7/1/18-9/30/19	181,188	(48,813)	48,813	\$ 2,500					
Title I	84.010A	ESEA5100-18	7/1/17-6/30/18	204,593								
Title I - SIA	84.010A	ESEA5100-20	7/1/19-9/30/20	22,478	(48,813)	125,407	2,500		(3,219)			
Total Title I					(48,813)	(12,148)	2,500		(91,671)			
Title IIA	84.367A	ESEA5100-20	7/1/19-9/30/20	30,286		(11,745)			(10,655)			
Title IIA	84.367A	ESEA5100-19	7/1/18-9/30/19	27,015	(5,683)	5,683						
Total Title IIA					(5,683)	(11,745)			(10,655)			
Title IV	84.424A	ESEA5100-20	7/1/19-9/30/20	11,247		(621)						
Title IV	84.424A	ESEA5100-19	7/1/18-9/30/19	11,661	(2,735)	2,735						
Total Title IV					(2,735)	(621)						

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019			Cash Received	Budgetary Expendi- tures	Repayment of Prior Years' Balances	Balance, June 30, 2020		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				Budgetary Accounts Receivable	Due to Grantor	
Special Education Cluster:													
I.D.E.A. Part B, Basic	84-027A	IDEA510020	7/1/19-9/30/20	\$ 361,046			\$ 226,891	\$ (281,733)			\$ (54,842)	\$ 4,049	
I.D.E.A. Part B, Basic	84-027A	IDEA510019	7/1/18-9/30/19	468,397	\$ (114,549)		118,598						
I.D.E.A. Part B, Basic	84-027A	IDEA510018	7/1/17-6/30/18	575,957	(2,065)		2,065		\$ 550				
I.D.E.A. Part B, Basic	84-027A	IDEA510016	7/1/15-6/30/16	413,006			7,742	(19,354)			(11,612)		
I.D.E.A. Preschool	84-173A	IDEA510020	7/1/19-9/30/20	19,354			1,976						
I.D.E.A. Preschool	84-173A	IDEA510019	7/1/18-9/30/19	19,769	(1,976)		357,272	(301,087)	550		(66,454)	4,049	
Total Special Education Cluster					(118,590)								
COVID-19 CARES Emergency Relief	84-425D	CARES510020	3/13/20-9/30/22	128,625				(8,173)					
Total COVID-19 CARES Emergency Relief								(8,173)					
Total Special Revenue Fund and U.S. Department of Education					(175,821)		492,808	(489,891)	3,050		(176,953)	4,049	
U.S. Department of Health and Human Services -													
General Fund													
Medicaid Cluster:													
Medicaid Assistance Program	93.778	N/A	7/1/19-6/30/20	79,212			79,212	(79,212)					
Total General Fund/Medicaid Cluster							79,212	(79,212)					
Total Federal Awards					\$ (186,966)		\$ 725,568	\$ (717,526)	\$ 3,050	\$ 7,413	\$ (185,501)	\$ 4,049	\$ -0-

N/A - Not Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 833,307	\$ (83,179)	\$	\$ 83,179						\$ 833,307
School Choice Aid	19-495-034-5120-068	7/1/18-6/30/19	39,713	(3,964)		3,964						39,713
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	5,670,481	(566,018)		566,018						5,670,481
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	155,733	(15,545)		15,545						155,733
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	784,782	(78,336)		78,336						784,782
Nonpublic Transportation Costs	19-495-034-5120-014	7/1/18-6/30/19	15,620	(15,620)		15,620						15,620
Extraordinary Special Education Costs Aid	19-495-034-5120-044	7/1/18-6/30/19	373,105	(373,105)		373,105						373,105
Homeless Tuition Reimbursement	19-495-034-5120-005	7/1/18-6/30/19	47,345	(47,345)		47,345						47,345
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	736,200	(37,519)		37,519						736,200
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	833,307		750,082	\$ (833,307)			\$	(83,225)		833,307
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	3,391		3,052	(3,391)				(339)		3,391
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	5,244,425		4,720,645	(5,244,425)				(523,780)		5,244,425
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	155,733		140,179	(155,733)				(15,554)		155,733
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	784,782		706,403	(784,782)				(78,379)		784,782
Nonpublic Transportation Costs	20-495-034-5120-014	7/1/19-6/30/20	9,355			(9,355)			\$	(9,355)		9,355
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	608,282			(608,282)				(608,282)		608,282
Homeless Tuition Reimbursement	20-495-034-5120-005	7/1/19-6/30/20	17,050			(17,050)				(17,050)		17,050
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	694,781		659,466	(694,781)				(35,315)		694,781
On-Behalf TPAF Post Medical Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	786,234		786,234	(786,234)						786,234
On-Behalf Long Term Disability Insurance Contributions	20-495-034-5094-004	7/1/19-6/30/20	1,772		1,772	(1,772)						1,772
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	2,082,015		2,082,015	(2,082,015)						2,082,015
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	37,318		37,318	(37,318)						37,318
Subtotal - General Fund			(1,220,631)		11,107,797	(11,258,445)			(670,002)	(1,371,279)		19,914,731
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	31,303	\$ 9,645				\$ (9,645)				21,658
Nonpublic Handicapped Services:												
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	14,273		3,409			(3,409)				10,864
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	10,714		90			(90)				10,624
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	20,749		5,278			(5,278)				15,471
N.J. Nonpublic Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	4,432		231			(231)				4,201
N.J. Nonpublic Nursing Aid	19-100-034-5120-070	7/1/18-6/30/19	9,312		3,282			(3,282)				6,030
N.J. Nonpublic Technology Initiative	19-100-034-5120-373	7/1/18-6/30/19	2,988		114			(114)				2,874
N.J. Nonpublic Security Aid	19-100-034-5120-509	7/1/18-6/30/19	14,400		7,200			(7,200)				7,200
Nonpublic Auxiliary Services:												
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	109,511		98,560			(16,224)		(10,951)		16,224
Nonpublic Handicapped Services:												
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	108,470		88,025			(8,014)		(10,847)		8,014
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	14,866		81,115			(8,112)		(10,847)		8,112
Examination and Classification	20-100-034-5120-064	7/1/19-6/30/20	3,690		14,866			(5,768)		(8,111)		5,768
N.J. Nonpublic Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	7,760		3,690			(3,588)		(1,487)		3,588
N.J. Nonpublic Nursing Aid	20-100-034-5120-070	7/1/19-6/30/20	2,520		2,520			(7,666)		102		7,666
N.J. Nonpublic Technology Initiative	20-100-034-5120-373	7/1/19-6/30/20	12,000		12,000			(1,955)		94		1,955
N.J. Nonpublic Security Aid	20-100-034-5120-509	7/1/19-6/30/20	12,000		308,536			(11,986)		565		11,986
Subtotal - Special Revenue Fund - Department of Education			29,249		308,536	(63,313)		(29,249)	(31,396)	(31,396)		142,235

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Enterprise Fund:												
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	\$ 2,184		\$ 2,184	\$ (2,184)						\$ 2,184
Seamless Summer Program	20-100-010-3350-023	3/1/20-6/30/20	291		208	(291)						291
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	3,434		259	(2,475)						3,434
Subtotal - Enterprise Fund					2,651							5,909
Total State Department of Education					(1,220,890)	\$ 29,249	\$ 11,418,984	\$ (29,249)	\$ (701,481)	\$ 276,619	(1,402,758)	20,062,875
Total State Awards					\$ (1,220,890)	\$ 29,249	\$ 11,418,984	\$ (29,249)	\$ (701,481)	\$ 276,619	\$ (1,402,758)	\$ 20,062,875
Less: On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Medical Retirement Contributions	20-495-034-5094-001	7/1/19 - 6/30/20	(786,234)			786,234						
On-Behalf Long Term Disability Insurance Contributions	20-495-034-5094-004	7/1/19 - 6/30/20	(1,772)			1,772						
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19 - 6/30/20	(2,082,015)			2,082,015						
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19 - 6/30/20	(37,318)			37,318						
Subtotal - On-Behalf TPAF Pension System Contributions						2,907,339						
Total State Awards - for Major Program Determination						\$ (8,416,894)						

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Board of Education, Sussex-Wantage Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. 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 two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$45,765 for the general fund and \$7,004 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 79,212	\$ 11,304,210	\$ 11,383,422
Special Revenue Fund	487,047	73,161	560,208
Food Service Fund	148,423	2,475	150,898
Total Awards	<u>\$ 714,682</u>	<u>\$ 11,379,846</u>	<u>\$ 12,094,528</u>

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2020.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*
- The auditor's report on compliance for its major state award programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for fiscal year end June 30, 2020 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 833,307	\$ 833,307
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	3,391	3,391
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	5,244,425	5,244,425
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	155,733	155,733
Nonpublic Transportation Costs	20-495-034-5120-014	7/1/19-6/30/20	9,355	9,355
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	784,782	784,782

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

The District had no prior year audit findings.