

**Comprehensive Annual  
Financial Report**

**of the**

**Township of Upper Board of Education**

**Upper Township, New Jersey**

**For the Fiscal Year Ended June 30, 2020**



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# **Introductory Section**







# Upper Township School District

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525 Perry Road • Petersburg, NJ 08270  
Phone (609) 628-3500 • Fax (609) 628-2002  
[www.upperschools.org](http://www.upperschools.org)

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January 8, 2021

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Upper Township School District for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular Uniform Guidance, "Audits of State, Local Governments, and Nonprofit Organizations" and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES**

The Upper Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Upper Township Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels pre-school through 8. These include regular, as well as special education for handicapped youngsters. The District sends students in grades 9 through 12 to Ocean City High School on a sending/receiving tuition basis. Upper Township receives Corbin City Board of Education students pre-school through grade 8 on a tuition basis. The District completed the 2019-20 fiscal year with an enrollment of 1,438 students. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	1,438	0.35%
2018-2019	1,433	1.13%
2017-2018	1,417	0.64%
2016-2017	1,408	0.86%
2015-2016	1,396	-1.30%

## **2. ECONOMIC OUTLOOK**

Atlantic City Electric operates a power plant in Beesley's Point located in Upper Township. Through the Energy Receipts Tax, the Township of Upper is a major benefactor. Because of these revenues, the Township of Upper has had no local purpose tax until 2011. The Township had allocated a portion of the revenues generated by the Energy Receipts Tax to the school district however, since the 2007-08 school budget year; the Township has not allocated any funds to offset the tax impact.

## **3. INTERNAL ACCOUNTING CONTROLS**

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### **4. BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. 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 reservations of fund balance at June 30, 2020.

#### **5. ACCOUNTING SYSTEM AND REPORTS**

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

#### **6. FINANCIAL INFORMATION AT FISCAL YEAR-END**

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

#### **7. DEBT ADMINISTRATION**

As of June 30, 2020, the District has no outstanding bond issues.

#### **8. CASH MANAGEMENT**

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

#### **9. RISK MANAGEMENT**

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

## **10. OTHER INFORMATION**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, L.L.C., CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

## **11. ACKNOWLEDGMENTS**

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

We would like to thank the Township Committee for their continued support of local funds to strengthen the educational endeavors of the community.

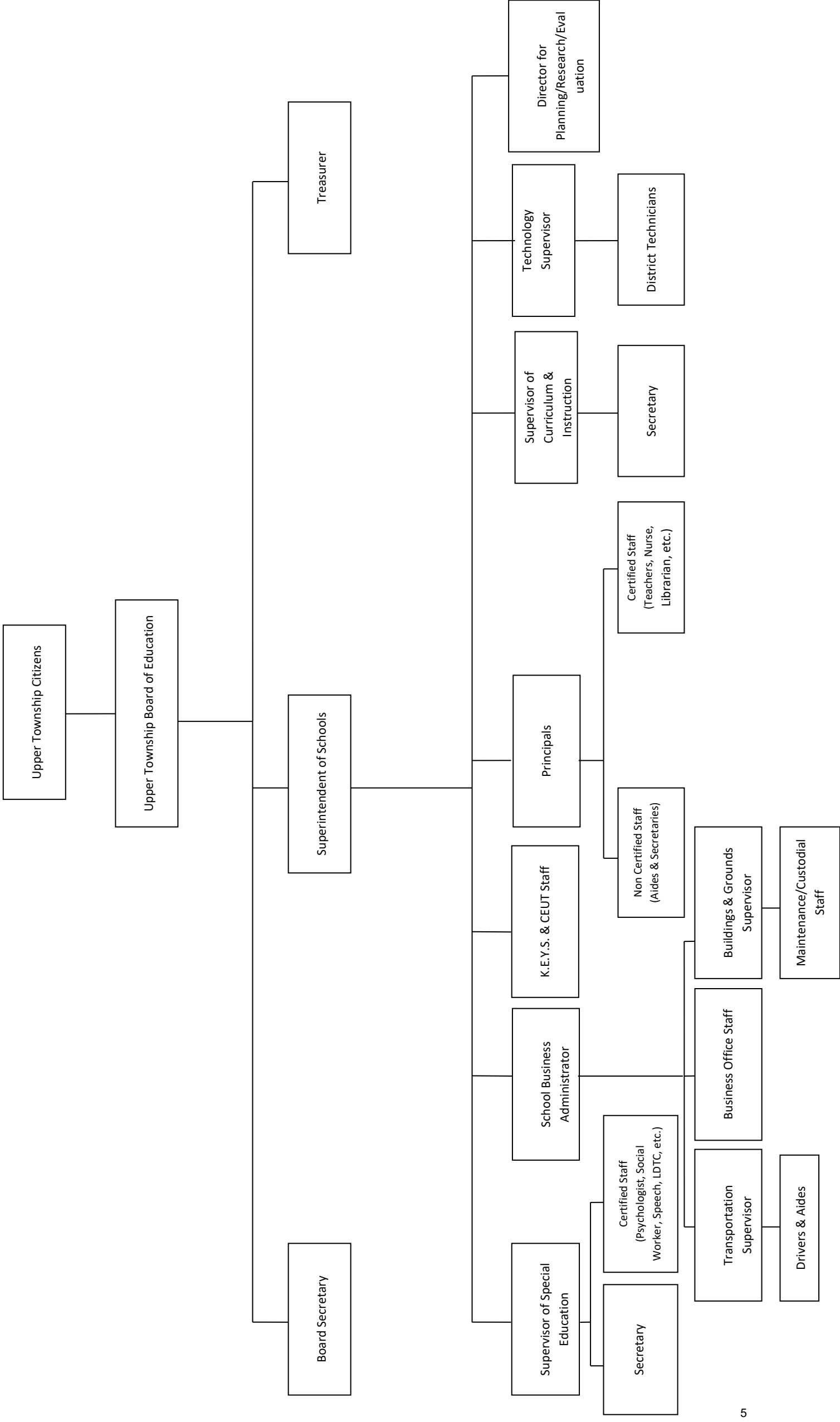
Respectfully submitted,

*Vincent J. Palmieri*

Vincent J. Palmieri, Jr.  
Superintendent

*Laurie A. Ryan*

Laurie A. Ryan  
Business Administrator/ Board Secretary



**TOWNSHIP OF UPPER BOARD OF EDUCATION  
COUNTY OF CAPE MAY, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2020**

**Members of the Board of Education**

**Term Expires**

Michele Barbieri, President	2022
Frances T. Newman, Vice President	2021
Rachel Mammele	2020
Andrea Olenik-Hipkins	2020
William Sooy	2022
Willaim Holmes	2021
Thomas McQuillen	2022
Mike Torrence	2021
Kristie Brown - Chisholm	2022

**Other Officials**

Vincent J. Palmieri Jr., Superintendent  
Laurie A. Ryan, School Business Administrator/Board Secretary  
Carroll A. Bailey, Treasurer

**TOWNSHIP OF UPPER BOARD OF EDUCATION  
COUNTY OF CAPE MAY, NEW JERSEY  
CONSULTANTS AND ADVISORS  
JUNE 30, 2020**

**AUDIT FIRM**

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

**ATTORNEY**

**William S. Donio**  
Cooper Levenson Attorneys at Law  
1125 Atlantic Avenue  
Atlantic City, NJ 08401

**OFFICIAL DEPOSITORY**

**OceanFirst Bank**  
105 Roosevelt Boulevard  
Marmora, NJ 08223-0945

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## **Financial Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Food Service Enterprise Fund, which is both a major fund and 25%, 20%, and 62%, respectively of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities, enterprise fund – food service component, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Upper School District's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining statements, and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 15-08, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2021 on our consideration of the Township of Upper School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Upper School District's internal control over financial reporting and compliance.

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

*Michael S. Garcia*  
Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

January 8, 2021

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## **Required Supplementary Information – Part I**





## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township of Upper School District ("District") annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statement.

### FINANCIAL HIGHLIGHTS

- The net position of the District decreased compared to the prior year as a result of an excess of expenses over revenues.
- The State of New Jersey reimbursed the District \$727,973 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions. The State of New Jersey also paid \$3,037,644 in pension contributions and retiree health coverage for TPAF members as calculated on their base salaries on behalf of the District. This amount, which is not budgeted, is included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures or \$250,000, whichever is greater. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year's budget as budgeted fund balance. As of June 30, 2020 the District had excess surplus of \$1,950,000, of which \$975,000 was required to be budgeted as a revenue for the year ending June 30, 2021 and \$975,000 is designated for subsequent year budgets.
- During the fiscal year ended June 30, 2020, the District's revenues were approximately \$54,584 more than total expenditures in the fund financial statements.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the basic *financial statements, required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District's government, reporting on the District's operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.

- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the milk program.
- *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure A-1**  
**Major Features of Township of Upper Board of Education’s**  
**Government-wide and Fund Financial Statements**  
 Fund Statements

	Government wide 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 food service and student activities	Activities the District operates similar to private businesses; food service	Instances in which the District is the trustee or agent for someone else’s resources, such as payroll agency and student activities.
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position  Statement of revenues, expenses, and changes in net position  Statement of cash flows	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, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

### Government-wide Statements

The government-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 government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets 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 health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Township's property tax base and the condition of the District's facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District's basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which 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 government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the

District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** The District's governmental activities net position decreased between fiscal years 2020 and 2019 as a result of an excess of expenses over revenues. The business-type activities net position also decreased due to an excess of costs over revenues.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 9,846,981	\$ 9,934,784	592,513	572,500	10,439,494	10,507,283
Capital assets	11,600,454	12,600,042	27,664	32,069	11,628,118	12,632,111
<b>Total assets</b>	<b>21,447,435</b>	<b>22,534,826</b>	<b>620,178</b>	<b>604,568</b>	<b>22,067,613</b>	<b>23,139,394</b>
Deferred outflows of resources	1,087,398	1,753,120	-	-	1,087,398	1,753,120
Long-term liabilities	5,899,165	6,442,187			5,899,165	6,442,187
Other liabilities	134,045	327,785	44,075	8,718	178,120	336,503
<b>Total liabilities</b>	<b>6,033,210</b>	<b>6,769,972</b>	<b>44,075</b>	<b>8,718</b>	<b>6,077,285</b>	<b>6,778,690</b>
Deferred inflows of resources	2,032,337	2,099,789	-	-	2,032,337	2,099,789
Net position						
Invested in capital assets	11,600,454	12,600,042	27,664	32,069	11,628,118	12,632,111
Restricted	7,977,897	9,337,136	-	-	7,977,897	9,337,136
Unrestricted	(5,109,064)	(6,518,994)	548,437	563,781	(4,560,627)	(5,955,213)
<b>Total net position</b>	<b>\$ 14,469,286</b>	<b>\$ 15,418,185</b>	<b>576,102</b>	<b>595,850</b>	<b>15,045,388</b>	<b>16,014,035</b>

As required by New Jersey Statutes, the unrestricted fund balance of the District is not permitted to exceed 2% of total general fund expenditures, after reductions for On-behalf TPAF pension and social security. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget. As of June 30, 2020, the District had excess fund balance in the amount of \$1,950,000 of which \$975,000 has been included in the 2020-2021 budget and the remaining \$975,000 will be included in the 2021-2022 budget.

**Changes in net position.** The total general fund revenue of the District decreased approximately \$327,003 due to a decrease in tuition and state aid.

Approximately 23% of the District's governmental funds revenue comes from the State of New Jersey in the form of non-restricted federal and state aid. This aid is based on the District's enrollment as well as other factors related to the District's formula aid which is a relationship of the adequacy budget and the Township's property values and income of the residents. The District expenses are primarily related to instruction, administration, and plant operations.

	2020		2019	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property taxes	\$ 24,926,570	61.16%	24,290,000	55.86%
Unrestricted Federal and State aid	9,530,266	23.38%	10,114,586	23.26%
Tuition	873,397	2.14%	1,134,921	2.61%
Transportation Fees	46,996	0.12%	149,457	0.34%
Operating grants and contributions	5,255,300	12.89%	7,722,540	17.76%
Other	124,804	0.31%	69,446	0.16%
Totals	\$ <u>40,757,332</u>	<u>100.00%</u>	<u>43,480,950</u>	<u>100.00%</u>

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## Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2020 and 2019 fiscal years:

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program revenue						
Charges for services	\$ 920,392	1,284,378	312,948	454,029	1,233,341	1,738,407
Grants and entitlements	5,255,300	7,722,540	137,076	123,175	5,392,376	7,845,715
General revenues						
Property taxes	24,926,570	24,290,000			24,926,570	24,290,000
State aid entitlements	9,530,266	10,114,586			9,530,266	10,114,586
Prior Year's Accounts Payable					-	-
Other	124,804	69,446	1,662	1,573	126,466	71,019
Transfers	54,584				54,584	-
<b>Total revenues</b>	<b>40,811,916</b>	<b>43,480,949</b>	<b>451,686</b>	<b>578,777</b>	<b>41,263,602</b>	<b>44,059,726</b>
<b>Expenses</b>						
Instruction:						
Regular	11,156,455	12,449,274			11,156,455	12,449,274
Special Education	3,847,988	4,017,512			3,847,988	4,017,512
Other Instruction	1,521,427	2,016,679			1,521,427	2,016,679
Support services:						
Tuition	10,184,219	10,551,349			10,184,219	10,551,349
Student & instruction related	4,523,829	5,408,179			4,523,829	5,408,179
School administration services	1,004,660	1,082,741			1,004,660	1,082,741
General & business admin	721,954	706,985			721,954	706,985
Central & Technical Services	617,001	689,171			617,001	689,171
Plant operations & maintenance	6,656,967	2,613,065			6,656,967	2,613,065
Pupil transportation	1,398,106	1,879,439			1,398,106	1,879,439
Capital Outlay					-	-
Special Schools	19,400	16,694			19,400	16,694
Charter Schools	108,809	111,372			108,809	111,372
Business-type activities			471,434	525,571	471,434	525,571
<b>Total expenses</b>	<b>41,760,815</b>	<b>41,542,462</b>	<b>471,434</b>	<b>525,571</b>	<b>42,232,249</b>	<b>42,068,033</b>
Transfer		(13,408)		13,408	-	-
<b>Increase/(Decrease) in net assets</b>	<b>(948,898)</b>	<b>1,925,080</b>	<b>(19,748)</b>	<b>66,614</b>	<b>(968,647)</b>	<b>1,991,694</b>

## Business-type Activities

Operating and non-operating revenues of the District's business-type activities decreased by \$127,091 from the previous year and expenses decreased by \$54,136.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$14,469,286.39 which is approximately \$948,898 less than the beginning of the year.

### General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2012-2013 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30<sup>th</sup> carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, which are not budgeted, the District's actual revenue exceeded the budgeted revenue by approximately \$384,402. This is a result of excess unbudgeted tuition and state aid. Again, after adjusting for the Reimbursed TPAF Social Security Contribution and on-behalf TPAF Pension Contributions, actual expenditures were below the budgeted appropriations by approximately \$2,766,130.

## CAPITAL ASSET

### Capital Assets

At the end of 2020, the District had invested \$11,628,118 in a broad range of capital assets, including land, buildings, vehicles and machinery.

	Governmental Activities		Business-type Activities		Totals	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 420,564	\$ 420,564			420,564	420,564
Construction in Progress					-	-
Buildings and Bldg improvements	10,993,954	11,924,442			10,993,954	11,924,442
Machinery & equipment	185,936	255,036	27,664	32,068	213,600	287,104
<b>Total</b>	<u>\$ 11,600,454</u>	<u>\$ 12,600,042</u>	<u>27,664</u>	<u>32,068</u>	<u>11,628,118</u>	<u>12,632,110</u>



## Long-term Debt

	Balance <u>June 30, 2019</u>	<u>Issued</u>	Retired/ <u>Adjusted</u>	Balance <u>June 30, 2020</u>
<b>Governmental Activities</b>				
Compensated Absences Payable	\$ 644,426	70,417	96,933	617,910
Net Pension Liability	5,797,759		516,504	5,281,255
Total Governmental Activities	<u>\$ 6,442,185</u>	<u>70,417</u>	<u>613,437</u>	<u>5,899,165</u>

More detailed information about the District's long-term debt is presented in the Notes to the Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Upper Township School District is in good financial condition presently. The District is proud of its community support of the public schools. A major concern is the continued tuition increases, the elimination of the Municipal Surplus Contribution and flat state aid, which increases the reliance on local property taxes.

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

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at 525 Perry Road, Petersburg, NJ 08270 or the District's website at [www.upperschools.org](http://www.upperschools.org).

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# **Basic Financial Statements**



## DISTRICT – WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business – type activities of the District.



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

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,302,697.97	\$ 557,018.49	\$ 9,859,716.46
Receivables, Net	544,283.07	1,914.66	546,197.73
Internal Balances	-	-	-
Inventory	-	33,579.92	33,579.92
Capital Assets, Net			
Land	420,564.00	-	420,564.00
Capital Assets being Depreciated, net	11,179,890.00	27,664.44	11,207,554.44
Total Assets	<u>21,447,435.04</u>	<u>620,177.51</u>	<u>22,067,612.55</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,087,398.00		1,087,398.00
Total Deferred outflows of Resources	<u>1,087,398.00</u>	<u>-</u>	<u>1,087,398.00</u>
<b>LIABILITIES</b>			
Accounts Payable	132,942.65	31,474.57	164,417.22
Unearned Revenue	1,102.00	12,600.80	13,702.80
Noncurrent Liabilities			
Due Beyond One Year	617,910.00		617,910.00
Net Pension Liability	5,281,255.00		5,281,255.00
Total Liabilities	<u>6,033,209.65</u>	<u>44,075.37</u>	<u>6,077,285.02</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	2,032,337.00		2,032,337.00
Total Deferred inflows of Resources	<u>2,032,337.00</u>	<u>-</u>	<u>2,032,337.00</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	11,600,454.00	27,664.44	11,628,118.44
Restricted for:			
Capital Projects	4,607,896.75		4,607,896.75
Other Purposes	3,370,000.00		3,370,000.00
Unrestricted	(5,109,064.36)	548,437.70	(4,560,626.66)
Total Net Position	<u>\$ 14,469,286.39</u>	<u>\$ 576,102.14</u>	<u>\$ 15,045,388.53</u>

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

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

Function/Programs	Expenses	Indirect Expenses Allocation	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 6,906,054.25	4,250,401.22	873,396.59	2,550,646.18		(7,732,412.70)	-	(7,732,412.70)
Special Education	2,381,976.41	1,466,011.57		1,456,099.97		(2,391,888.01)		(2,391,888.01)
Other Special Instruction	941,791.42	579,635.09		347,836.35		(1,173,590.16)		(1,173,590.16)
Support Services:								
Tuition	10,184,219.08					(10,184,219.08)		(10,184,219.08)
Student & Instruction Related Services	2,800,334.38	1,723,494.22		1,128,201.60		(3,395,627.00)		(3,395,627.00)
General Administrative Services	602,984.61	118,969.54		(27,047.54)		(749,001.69)		(749,001.69)
Central and Technical Services	515,326.35	101,674.45		(23,115.53)		(640,116.33)		(640,116.33)
School Administrative Services	839,104.16	165,556.17		(37,638.94)		(1,042,299.27)		(1,042,299.27)
Plant Operation and Maintenance	6,042,570.58	614,396.76		(139,682.18)		(6,796,649.52)		(6,796,649.52)
Pupil Transportation	1,398,105.62		46,995.69			(1,351,109.93)		(1,351,109.93)
Unallocated Benefits	9,020,139.02	(9,020,139.02)						
Special Schools	19,399.70					(19,399.70)		(19,399.70)
Charter Schools	108,809.00					(108,809.00)		(108,809.00)
<b>Total Governmental Activities</b>	<b>41,760,814.58</b>	<b>-</b>	<b>920,392.28</b>	<b>5,255,299.91</b>	<b>-</b>	<b>(35,585,122.39)</b>	<b>-</b>	<b>(35,585,122.39)</b>
<b>Business-Type Activities:</b>								
Food Service	281,250.58		143,584.12	137,075.89		(590.57)		(590.57)
KEYS	190,183.69		169,364.18			(20,819.51)		(20,819.51)
<b>Total Business-Type Activities</b>	<b>471,434.27</b>		<b>312,948.30</b>	<b>137,075.89</b>	<b>-</b>	<b>(21,410.08)</b>	<b>-</b>	<b>(21,410.08)</b>
<b>Total Primary Government</b>	<b>\$ 42,232,248.85</b>		<b>1,233,340.58</b>	<b>5,392,375.80</b>	<b>-</b>	<b>(35,585,122.39)</b>	<b>(21,410.08)</b>	<b>(35,606,532.47)</b>
<b>General Revenues:</b>								
Taxes:								
Property Taxes, Levied for General Purposes, Net						24,926,570.00		24,926,570.00
Federal and State Aid not Restricted						9,530,266.08		9,530,266.08
Miscellaneous Income						124,803.97	1,661.97	126,465.94
Prior Year's Accounts Payable								
Cancelled Capital Project Balance						54,583.85		54,583.85
Total General Revenues, Special Items, Extraordinary Items and Transfers						34,636,223.90	1,661.97	34,637,885.87
Change in Net Assets						(948,896.49)	(19,748.11)	(968,644.60)
Net Position - Beginning						15,418,184.88	595,850.25	16,014,035.13
Net Position - Ending						<u>\$ 14,469,286.39</u>	<u>576,102.14</u>	<u>15,045,388.53</u>

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



## FUND FINANCIAL STATEMENTS

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



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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 8,300,195.16	1,002,255.68	247.13	9,302,697.97
Due from Other Funds	1,157,808.26			1,157,808.26
Receivables from Other Governments	247,295.95	200,075.83		447,371.78
Other Receivables	96,911.29			96,911.29
<b>Total Assets</b>	<u>9,802,210.66</u>	<u>1,202,331.51</u>	<u>247.13</u>	<u>11,004,789.30</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	89,274.27	43,553.68		132,827.95
Interfund Payable		1,157,561.13	247.13	1,157,808.26
Payable to Federal Government		114.70		114.70
Unearned Revenue		1,102.00		1,102.00
<b>Total Liabilities</b>	<u>89,274.27</u>	<u>1,202,331.51</u>	<u>247.13</u>	<u>1,291,852.91</u>
Fund Balances:				
Restricted for:				
Excess Surplus - Current Year	975,000.00			975,000.00
Excess Surplus Designated for Subsequent Year's Expenditures	975,000.00			975,000.00
Committed to:				
Maintenance Reserve	1,420,000.00			1,420,000.00
Capital Reserve	1,319,896.75			1,319,896.75
Capital Reserve - Designated for Subsequent Year's Expenditures	3,288,000.00			3,288,000.00
Assigned to:				
Encumbrances	1,674,526.07			1,674,526.07
Designated for Subsequent Year's Expenditures	3,659.00			3,659.00
Unassigned:				
General Fund	56,854.57			56,854.57
Capital Projects Fund			-	-
<b>Total Fund Balances (Deficits)</b>	<u>9,712,936.39</u>	<u>-</u>	<u>-</u>	<u>9,712,936.39</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 9,802,210.66</u>	<u>1,202,331.51</u>	<u>247.13</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,600,454.00
Long-term pension liabilities are not due and payable in the current period and therefore are not reported in the funds	(6,226,194.00)
Long - term liabilities, including compensated absences and capital leases, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(617,910.00)
<b>Net position of governmental activities</b>	<u>14,469,286.39</u>

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 24,926,570.00	\$ -	\$ -	\$ 24,926,570.00
Tuition Charges	873,396.59			873,396.59
Transportation Fees	46,995.69			46,995.69
Miscellaneous	121,928.59		2,875.38	124,803.97
Total Local Sources	25,968,890.87	-	2,875.38	25,971,766.25
State Sources	13,268,862.07	-		13,268,862.07
Federal Sources	27,021.08	670,293.84		697,314.92
Total Revenues	39,264,774.02	670,293.84	2,875.38	39,937,943.24
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	6,805,561.69			6,805,561.69
Special Education Instruction	1,770,962.21	576,353.18		2,347,315.39
Other Special Instruction	928,087.06			928,087.06
Support Services and Undistributed Costs:				
Tuition	10,184,219.08			10,184,219.08
Student & Instruction Related Serv.	2,665,645.01	93,940.66		2,759,585.67
General Administrative Services	584,630.20			584,630.20
Central and Technical Administrative Services	499,640.19			499,640.19
School Administrative Services	813,562.44			813,562.44
Plant Operation and Maintenance	3,019,217.83			3,019,217.83
Pupil Transportation	1,398,105.62			1,398,105.62
Unallocated Employee Benefits	7,379,206.02			7,379,206.02
Capital Outlay	3,039,249.69			3,039,249.69
Special Schools	19,399.70			19,399.70
Transfer to Charter School	108,809.00			108,809.00
Total Expenditures	39,216,295.74	670,293.84	-	39,886,589.58
Excess (Deficiency) of Revenues Over Expenditures	48,478.28	-	2,875.38	51,353.66
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfer in	112,534.30			112,534.30
Transfer Out			(112,534.30)	(112,534.30)
Cancelled Project Balances	-		54,583.85	54,583.85
Total Other Financing Sources and Uses	112,534.30	-	(57,950.45)	54,583.85
Net Changes in Fund Balance	161,012.58	-	(55,075.07)	105,937.51
Fund Balance - July 1	9,551,923.81	-	55,075.07	9,606,998.88
Fund Balance - June 30	<u>\$ 9,712,936.39</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,712,936.39</u>

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

Total Net Change in Fund Balance - Governmental Funds (from B-2) \$ 105,937.51

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, on 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 depreciation exceeded capital outlays in the current fiscal year.

Depreciation expense	(1,110,273.00)	
Capital Outlay	<u>110,685.01</u>	(999,587.99)

In the statement of activities, certain operating expenses, e.g. pension expense are measured under full accrual accounting. In the governmental funds, however, expenditures are reported on the amounts actually billed by the State.

	District pension contributions	285,102.00
	Cost of benefits earned, net of employee contributions	<u>(366,866.00)</u>
		(81,764.00)

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

26,516.00

Change in Net Assets of Governmental Activities		<u><u>\$ (948,898.48)</u></u>
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**TOWNSHIP OF UPPER SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2020**

	Business-Type Activities - Enterprise Fund		
	Food Service	KEYS	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 96,003.65	\$ 461,014.84	\$ 557,018.49
Federal Accounts Receivable	-		-
State Accounts Receivable	-		-
Other Accounts Receivable	1,914.66		1,914.66
Inventories	33,579.92		33,579.92
Total Current Assets	<u>131,498.23</u>	<u>461,014.84</u>	<u>592,513.07</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	266,828.89	65,861.00	332,689.89
Less: Accumulated Depreciation	<u>(239,164.45)</u>	<u>(65,861.00)</u>	<u>(305,025.45)</u>
Total Noncurrent Assets	<u>27,664.44</u>	<u>-</u>	<u>27,664.44</u>
Total Assets	<u><u>159,162.67</u></u>	<u><u>461,014.84</u></u>	<u><u>620,177.51</u></u>
<b>LIABILITIES</b>			
Current Liabilities:			
Interfunds		-	-
Accounts Payable	31,474.57		31,474.57
Unearned Revenue	12,600.80		12,600.80
Total Current Liabilities	<u>44,075.37</u>	<u>-</u>	<u>44,075.37</u>
Noncurrent Liabilities:			
None			-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	27,664.44	-	27,664.44
Unrestricted	87,422.86	461,014.84	548,437.70
Total Net Position	<u><u>115,087.30</u></u>	<u><u>461,014.84</u></u>	<u><u>576,102.14</u></u>

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

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

	Business-Type Activities - Enterprise Fund		
	Food Service	KEYS	Totals Enterprise
Operating Revenues:			
Charges for Services:			
Sales - Non Reimbursable	\$ 59,260.38	\$ -	\$ 59,260.38
Sales - Reimbursable	82,647.80		82,647.80
Miscellaneous & Special	1,675.94		1,675.94
Program Fees		169,364.18	169,364.18
Total Operating Revenue	<u>143,584.12</u>	<u>169,364.18</u>	<u>312,948.30</u>
Operating Expenses:			
Cost of Sales - Reimbursable	108,087.62		108,087.62
Cost of Sales - Non Reimbursable	25,052.96		25,052.96
Salaries	82,976.69	121,929.52	204,906.21
Employee Benefits	27,569.84	31,853.45	59,423.29
Insurance	3,557.37		3,557.37
Purchased Services	1,199.94		1,199.94
Rentals	2,250.00		2,250.00
Management Fee	24,733.80		24,733.80
Repairs & Maintenance		-	-
Supplies & Miscellaneous	1,418.02	36,400.72	37,818.74
Depreciation	4,404.34		4,404.34
Total Operating Expenses	<u>281,250.58</u>	<u>190,183.69</u>	<u>471,434.27</u>
Operating Income (Loss)	(137,666.46)	(20,819.51)	(158,485.97)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	2,488.53		2,488.53
Federal Sources:			
National School Lunch Program	83,356.33		83,356.33
National School Breakfast Program	16,158.91		16,158.91
Food Distribution Program	35,072.12		35,072.12
Interest and Investment Income	213.57	1,448.40	1,661.97
Total Nonoperating Revenues (Expenses)	<u>137,289.46</u>	<u>1,448.40</u>	<u>138,737.86</u>
Income (Loss) before Contributions & Transfers	(377.00)	(19,371.11)	(19,748.11)
Transfers In - General Fund Fixed Assets	-	-	-
Changes in Net Position	(377.00)	(19,371.11)	(19,748.11)
Total Net Position - Beginning	<u>115,464.30</u>	<u>480,385.95</u>	<u>595,850.25</u>
Total Net Position - Ending	<u>\$ 115,087.30</u>	<u>\$ 461,014.84</u>	<u>\$ 576,102.14</u>

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

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

	Business-Type Activities - Enterprise Fund		
	Food Service	KEYS	Totals Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 152,001.66	\$ 169,364.18	\$ 321,365.84
Payments to Employees	(82,976.69)	(127,654.61)	(210,631.30)
Payments for Employee Benefits	(27,569.84)	(31,853.45)	(59,423.29)
Payments for Management Fee	(24,733.80)		(24,733.80)
Payments for Suppliers	(89,730.06)	(36,400.72)	(126,130.78)
Net Cash Provided by (Used for) Operating Activities	<u>(73,008.73)</u>	<u>(26,544.60)</u>	<u>(99,553.33)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	2,488.53		2,488.53
Federal Sources	99,515.24		99,515.24
Operating Subsidies and Transfers to Other Funds	-		-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>102,003.77</u>	<u>-</u>	<u>102,003.77</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Equipment Purchases	-	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest and Dividends	213.57	1,448.40	1,661.97
Net Cash Provided by (Used for) Investing Activities	<u>213.57</u>	<u>1,448.40</u>	<u>1,661.97</u>
Net Increase (Decrease) in Cash and Cash Equivalents	29,208.61	(25,096.20)	4,112.41
Balance - Beginning of Year	66,795.04	486,111.04	552,906.08
Balance - End of Year	<u>\$ 96,003.65</u>	<u>\$ 461,014.84</u>	<u>\$ 557,018.49</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (137,666.46)	\$ (20,819.51)	\$ (158,485.97)
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	4,404.34	-	4,404.34
Food Distribution Program	35,072.12		35,072.12
Decrease in Accounts Receivable	4,534.87		4,534.87
Decrease in Inventories	(14,710.84)		(14,710.84)
(Increase) in Deferred Revenue	3,882.67		3,882.67
(Decrease) in Interfunds Payable		(5,725.09)	(5,725.09)
(Decrease) in Accounts Payable	31,474.57		31,474.57
Total Adjustments	<u>64,657.73</u>	<u>(5,725.09)</u>	<u>58,932.64</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (73,008.73)</u>	<u>\$ (26,544.60)</u>	<u>\$ (99,553.33)</u>

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



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

	<u>Unemployment Compensation</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 145,137.18	126,680.79
Total Assets	<u>145,137.18</u>	<u>126,680.79</u>
<b>LIABILITIES</b>		
Payable to Student Groups	-	122,557.37
Accounts Payable	35,934.18	
Payroll Deductions & Withholdings	-	4,123.42
Total Liabilities	<u>35,934.18</u>	<u>126,680.79</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 109,203.00</u>	
Reserved for Scholarships		

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

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

	Unemployment Compensation	Total
<b>ADDITIONS</b>		
Contributions:		
Plan Member	\$ 34,357.07	34,357.07
Other		
Total Contributions	34,357.07	34,357.07
Investment Earnings:		
Interest	396.38	396.38
Net Investment Earnings	396.38	396.38
Total Additions	34,753.45	34,753.45
<b>DEDUCTIONS</b>		
Unemployment Claims	52,157.02	52,157.02
Total Deductions	52,157.02	52,157.02
Changes in Net Assets	(17,403.57)	(17,403.57)
Net Position - Beginning of the Year	126,606.57	126,606.57
Net Position - End of the Year	\$ 109,203.00	109,203.00

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

## **Notes To The Financial Statements**



**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. REPORTING ENTITY**

The Upper Township School District is a Type II district located in the County of Cape May, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-8. Students in grades 9-12 attend Ocean City High School on a tuition basis. The Upper Township School District had an enrollment at June 30, 2020 of 1,438 students.

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

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

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

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and KEYS). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB standards sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has

**Upper Township School District**  
**Notes to Financial Statements**  
**For the Fiscal Year ended June 30, 2020**

mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria are applied to proprietary funds.

The following fund types are used by the District:

**1. Governmental Funds:**

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

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Fund Balances – Governmental Funds**

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

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

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

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

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

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

**2. Proprietary Funds:**

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

The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District operates a food service fund to provide a child nutrition program for the students of the district and a KEYS program providing for child care before and after school hours.

**3. Fiduciary Funds:**

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

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

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

**D. BASIS OF ACCOUNTING**

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



**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**1. Accrual:**

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

**2. Modified Accrual:**

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

**E. FINANCIAL STATEMENT AMOUNTS**

**1. Cash and Cash Equivalents:**

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

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

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

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

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**2. Investments:**

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

**3. Inventories:**

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

Food & Supplies	\$	33,580
	\$	33,580

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2020 is \$8,698.36.

**4. Capital Assets:**

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

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

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

**5. Revenues:**

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue.

**Upper Township School District**  
**Notes to Financial Statements**  
**For the Fiscal Year ended June 30, 2020**

In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and unearned revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

**6. Expenditures:**

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

**7. Compensated Absences:**

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

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

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

**8. Interfund Activity:**

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

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**9. Budgets/Budgetary Control:**

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

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

Regular Programs - Undistributed Instruction - Other Purchased Services	(92,012)
Basic Skills/Remedial-Instruction- Salaries of Teachers	(90,091)
Undistributed Expenditures - Instruction - Tuition to CSSD & Reg Day Sch	(83,497)
Undist. Expenditures- Improvement of Inst. Services - Supplies & Materials	86,186
Undist. Expend - Required Maintenance	
Cleaning, Repair & Maintenance Service	429,357
General Supplies	(97,143)
Undist. Expend - Other Oper. & Maint. Of Plant - Energy (Electricity)	(155,861)
Capital Outlay - Undist. Expend. - Custodial Services	95,000

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

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

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**10. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. The final cost is based on an agreement with the Ocean City Board of Education with a negotiated amount up to the final cost as determined by State of New Jersey.

**11. Tuition Payable:**

Tuition charges for the fiscal years 2019/20 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**12. Use of Estimates:**

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

**13. Allocation of Costs:**

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

**14. Pensions**

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

**G. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020". This statement, which is effective for fiscal periods beginning after June 15, 2021, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal

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periods beginning after June 15, 2021, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal periods beginning after June 15, 2022, will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This statement, which is effective for fiscal periods immediately, will not have any effect on the District's financial reporting.

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

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "An Amendment to GASB Statements No. 14 and No. 84". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

**NOTE 2. CASH**

**Custodial Credit Risk—Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The district's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2020, \$907,275 of the government's bank balance of \$10,439,337 was exposed to custodial credit risk.

**NOTE 3. INVESTMENTS**

As of June 30, 2020, the District had no investments.

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

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

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

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

**NOTE 4. FIXED ASSETS**

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

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2020</u>
<b>Governmental Activities:</b>				
Capital assets that are not being				
Construction in process	\$ -	-	-	-
Land	420,564			420,564
Total capital assets not being depreciated	<u>420,564</u>	<u>-</u>	<u>-</u>	<u>420,564</u>
Capital Assets being depreciated				
Site Improvements	25,010			25,010
Bldg and bldg improve	25,367,911	104,305		25,472,216
Machinery & equipment	2,573,092	6,380		2,579,472
Total at historical cost	<u>27,966,013</u>	<u>110,685</u>	<u>-</u>	<u>28,076,698</u>
Less accum depr for:				
Bldg and improve	(13,468,479)	(1,034,793)		(14,503,272)
Equipment	(2,318,056)	(75,480)		(2,393,536)
Total accum deprec	<u>(15,786,535)</u>	<u>(1,110,273)</u>	<u>-</u>	<u>(16,896,808)</u>
Total capital assets being depr, net of	<u>12,179,478</u>	<u>(999,588)</u>	<u>-</u>	<u>11,179,890</u>
<b>Governmental activities capital</b>	<u>12,600,042</u>	<u>(999,588)</u>	<u>-</u>	<u>11,600,454</u>
<b>Business-type activities:</b>				
Equipment	332,690			332,690
Less accum depr for:				
Equipment	(300,622)	(4,404)	-	(305,026)
<b>Business-type activities capital</b>	<u>32,068</u>	<u>(4,404)</u>	<u>-</u>	<u>27,664</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 425,510
Special Eduction	146,763
Other Special Instruction	58,028
Student & Instruction Related Svc	172,540
General Administrative Services	36,553
School Administrative Services	50,867
Plant Operation & Maintenance	188,773
Central	31,239
	<u>\$ 1,110,273</u>

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Notes to Financial Statements  
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**NOTE 5. PENSION PLANS**

*Description of Plans*

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

*Teachers' Pension and Annuity Fund*

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

*Public Employees' Retirement System*

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

*Defined Contribution Retirement Program (DCRP)*

The Defined Contribution Retirement program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.



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Notes to Financial Statements  
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Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 7.50% and the PERS rate is 7.50% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2020, 2019 and 2018 were \$2,214,512, \$2,047,549, and \$1,509,562 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2020, 2019 and 2018 were \$286,335, \$294,446, and \$263,803 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2020, 2019 and 2018, the State of New Jersey contributed \$821,544, \$928,765, and \$974,994, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$766,273, \$786,204, and \$771,348, during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund statements and schedules as revenues and expenditures in accordance in GASB 27.

The Board's total covered payroll for the year ended June 30, 2020, 2019, and 2018 was \$10,537,405, \$10,653,332, and \$10,554,908, for TPAF; and \$2,038,294, \$2,076,906, and \$2,070,979 for PERS.

Significant Legislation

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

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the systems is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years. For fiscal year 2013, the member contribution rates increased in October 2012. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS and TPAF from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS and TPAF to 1/60<sup>th</sup> from 1/55<sup>th</sup>, and it provided that new members of PERS and TPAF have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS and TPAF will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. The law also requires the State to make its full pension contribution, defined a 1/7<sup>th</sup> of the required amount, beginning in fiscal years 2012.

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

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

**NOTE 6. PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

At June 30, 2020, the District reported a liability of \$5,281,255 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 0.0293102940%, which was an decrease of 0.46% from its proportion measured as of June 30, 2018.

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Notes to Financial Statements  
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For the year ended June 30, 2020, the District recognized pension expense of \$366,866. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 94,792	23,330
Changes of assumptions	527,353	1,833,107
Net difference between projected and actual earnings on pension plan investments		83,370
Changes in proportion and differences between District contributions and proportionate share of contributions	465,253	92,530
District contributions subsequent to the measurement date	285,102	
 Total	\$ 1,372,500	\$ 2,032,337.00

\$285,102 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ (112,638)
2020	(347,396)
2021	(318,453)
2022	(150,961)
2023	(15,486)
Total	\$ (944,936)

**Actuarial Assumptions**

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

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

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

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

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

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

*Discount Rate*

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

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contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	1% Decrease (5.68%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the net pension liability	\$ 6,338,382	5,281,255	4,391,511.14

*Pension plan fiduciary net position.*

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

**NOTE 7 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

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

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		62,581,944
Total		62,581,944

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

For the year ended June 30, 2020, the District recognized pension expense of \$3,691,250 and revenue of \$3,691,250 for support provided by the State. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 1,227,251	217,554
Changes of assumptions	8,901,514	17,501,802
Net difference between projected and actual earnings on pension plan investments		166,593
Changes in proportion and differences between District contributions and proportionate share of contributions	3,882,650	
District contributions subsequent to the measurement date	<u>2,050,317</u>	
 Total	 <u>\$ 16,061,732</u>	 <u>17,885,949.00</u>

\$2,050,317 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
<u>                    </u>	
2019	\$ (138,745)
2020	(358,703)
2021	(321,166)
2022	(619,542)
2023	(1,212,882)
Thereafter	<u>(1,223,496)</u>
Total	<u>\$ (3,874,534)</u>

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

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

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

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

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

***Long-Term Expected Rate of Return***

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

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

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

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pension liability.

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

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

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

*Pension plan fiduciary net position.*

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

**NOTE 8. OTHER POST-RETIREMENT BENEFITS**

*General Information about the OPEB Plan*

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

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

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



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

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

*Total OPEB Liability*

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

*Actuarial assumptions and other imputes:*

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

Inflation rate – 2.50%

Salary Increases –

TPAF - 1.55% - 3.05% based on years of service.  
PERS – 2.00% - 6.00% based on years of service

Mortality Rates –

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

Health Care Trend Assumptions –

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

Discount Rate –

The discount rate for June 30, 2019 was 3.50%. This represents the municipal

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

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

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

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

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

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

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

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

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

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

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

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

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

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$822,583 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

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

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

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

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

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

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

**NOTE 9. COMPENSATED ABSENCES**

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

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

District employees are granted varying amounts of vacation and sick leave in accordance with the district's personnel policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and is capped based on the various employee contracts.

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

**NOTE 10. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Upper Township Board of Education by inclusion of \$1.00 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at on of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2019		\$ 4,848,168
Interest earnings		1,250
Deposits:		
Approved by resolution		2,258,479
Withdrawals		
Appropriated in 19-20 Budget	(2,500,000)	
Total withdrawals		<u>(2,500,000)</u>
Ending balance , June 30, 2020		<u>\$ 4,607,897</u>

Of the above \$4,607,897, \$3,288,000 is designated for expenditures in the 20-21 Budget.

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**NOTE 11. GENERAL LONG-TERM DEBT**

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

	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Compensated Absences Payable	\$ 644,426	70,417	96,933	617,910	-
Net Pension Liability	5,797,759	-	516,504	5,281,255	-
<b>Total Governmental Activities</b>	<u>6,442,185</u>	<u>70,417</u>	<u>613,437</u>	<u>5,899,165</u>	<u>-</u>
<b>Total Debt</b>	<u>6,442,185</u>	<u>70,417</u>	<u>613,437</u>	<u>5,899,165</u>	<u>-</u>

**NOTE 12. INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,157,808	
Special Revenue Fund		1,157,561
Capital Projects Fund		247
<b>Total</b>	<u>\$ 1,157,808</u>	<u>1,157,808</u>

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds and to cover cash overdrafts for pooled funds. The governmental fund interfunds were eliminated in the governmental-wide statements.

**NOTE 13. FUND BALANCE APPROPRIATED**

General Fund – Of the \$9,712,936 General Fund fund balance, at June 30, 2020, \$1,674,526 is reserved for encumbrances and \$3,659 is designated for subsequent year's expenditures. \$1,950,000 is reserved as excess surplus in accordance with NJSA 18A:7F-7 of which \$975,000 has been appropriated as revenue in the 2020-2021 budget and the balance of \$975,000 will be budgeted in the 2021-2022 budget, \$4,607,897 has been reserved in the Capital Reserve Account, which \$3,288,000 is designated for expenditures in the 2020-2021 Budget; \$1,420,000 has been reserved in the Maintenance Reserve Account; The General Fund balance unassigned classification contained a deficit in the amount of \$918,010, which is a direct result of the delay in the June payments of state aid until the following fiscal year.

**Upper Township School District  
Notes to Financial Statements  
For the Fiscal Year ended June 30, 2020**

**NOTE 14. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, c.73, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020 is \$1,950,000, of which \$975,000 has been appropriated in the 2020-2021 budget and the balance of \$975,000 will be appropriated in the 2021-2022 budget.

**NOTE 15. RISK MANAGEMENT**

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2020 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

<u>Fiscal Year</u>	<u>Interest on Investments</u>	<u>Employee/Board Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	396	34,357	(52,157.02)	109,203
2018-2019	325	35,928	(11,408.56)	126,607
2017-2018	129	33,984	(12,784.94)	101,763

**NOTE 16. LITIGATION**

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District’s management, the outcome of any legal proceedings will not have any adverse affect on the accompanying financial statements.

**NOTE 17. SUBSEQUENT EVENTS**

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

## **Required Supplementary Information – Part II**





# **Budgetary Comparison Schedules**



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 24,926,570.00	\$ -	\$ 24,926,570.00	\$ 24,926,570.00	\$ -
Tuition from Individuals	115,500.00		115,500.00	135,967.50	20,467.50
Tuition - Other LEA's within the State	562,536.00		562,536.00	737,429.09	174,893.09
Transportation Fees	80,000.00		80,000.00	46,995.69	(33,004.31)
Miscellaneous	74,000.00		74,000.00	119,678.59	45,678.59
Interest earned on Capital & Maintenance Reserve Funds	2,250.00		2,250.00	2,250.00	-
<b>Total Local Sources</b>	<b>25,760,856.00</b>	<b>-</b>	<b>25,760,856.00</b>	<b>25,968,890.87</b>	<b>208,034.87</b>
State Sources:					
School Choice Aid	452,239.00		452,239.00	452,239.00	-
Categorical Special Education Aid	1,280,868.00		1,280,868.00	1,280,868.00	-
Equalization Aid	4,307,772.00		4,307,772.00	4,307,772.00	-
Categorical Security Aid	179,311.00		179,311.00	179,311.00	-
Adjustment Aid	1,548,830.00		1,548,830.00	1,548,830.00	-
Categorical Transportation Aid	1,445,583.00		1,445,583.00	1,445,583.00	-
Extraordinary Aid			-	208,996.00	208,996.00
On-Behalf TPAF Pension Contribution (Non-Budgeted)					
Post Retirement Medical Contributions			-	821,544.00	821,544.00
Pension Costs			-	2,214,512.00	2,214,512.00
Long Term Disability			-	1,588.00	1,588.00
Reimbursed TPAF Social Security (Non-Budgeted)			-	727,973.07	727,973.07
<b>Total State Sources</b>	<b>9,214,603.00</b>	<b>-</b>	<b>9,214,603.00</b>	<b>13,189,216.07</b>	<b>3,974,613.07</b>
Federal Sources:					
Medical Assistance Program	59,650.00		59,650.00	27,021.08	(32,628.92)
<b>Total Federal Sources</b>	<b>59,650.00</b>	<b>-</b>	<b>59,650.00</b>	<b>27,021.08</b>	<b>(32,628.92)</b>
<b>Total Revenues</b>	<b>35,035,109.00</b>	<b>-</b>	<b>35,035,109.00</b>	<b>39,185,128.02</b>	<b>4,150,019.02</b>
<b>EXPENDITURES:</b>					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool - Salaries of Teachers	339,890.00	(2,400.00)	337,490.00	274,900.10	62,589.90
Kindergarten - Salaries of Teachers					
Teachers	657,924.00	34,525.00	692,449.00	692,405.49	43.51
Grades 1 - 5 Salaries of Teachers	3,200,463.00	(32,125.00)	3,168,338.00	2,894,277.65	274,060.35
Grades 6 - 8 Salaries of Teachers	2,476,788.00	-	2,476,788.00	2,333,587.91	143,200.09
Regular Programs - Home Instruction					
Salaries of Teachers	10,000.00	-	10,000.00	6,034.41	3,965.59
Purchased Professional - Educational Services	800.00	-	800.00	347.94	452.06
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	248,795.00	(8,000.00)	240,795.00	221,457.18	19,337.82
Other Purchased Services (400-500 series)	200,900.00	(92,012.00)	108,888.00	81,753.30	27,134.70
General Supplies	491,400.00	30,396.49	521,796.49	251,638.61	270,157.88
Textbooks	92,326.00	4,000.00	96,326.00	49,159.10	47,166.90
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>7,719,286.00</b>	<b>(65,615.51)</b>	<b>7,653,670.49</b>	<b>6,805,561.69</b>	<b>848,108.80</b>
Special Education Instruction-Multiple Disabilities					
Salaries of Teachers	251,339.00	280.00	251,619.00	249,514.33	2,104.67
Other Salaries for Instruction	72,757.00	16,685.00	89,442.00	88,005.38	1,436.62
General Supplies	2,347.00	253.00	2,600.00	1,617.86	982.14
<b>Total Multiple Disabilities</b>	<b>326,443.00</b>	<b>17,218.00</b>	<b>343,661.00</b>	<b>339,137.57</b>	<b>4,523.43</b>
Special Education Instruction-Resource Room/Resource Center					
Salaries of Teachers	1,114,164.00	(4,940.00)	1,109,224.00	1,081,122.60	28,101.40
Other Salaries for Instruction	175,265.00	47,675.00	222,940.00	219,169.90	3,770.10
General Supplies	15,350.00	(1,000.00)	14,350.00	5,754.11	8,595.89
<b>Total Resource Room/Resource Center</b>	<b>1,304,779.00</b>	<b>41,735.00</b>	<b>1,346,514.00</b>	<b>1,306,046.61</b>	<b>40,467.39</b>
Special Education Instruction- Preschool Disabilities - Full-Time					
Salaries of Teachers	81,947.00	990.00	82,937.00	81,712.00	1,225.00
Other Salaries for Instruction	63,287.00	(12,940.00)	50,347.00	42,491.47	7,855.53
General Supplies	200.00	-	200.00	164.76	35.24
<b>Total Preschool Disabilities - Full-Time</b>	<b>145,434.00</b>	<b>(11,950.00)</b>	<b>133,484.00</b>	<b>124,368.23</b>	<b>9,115.77</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Special Education Instruction- Home Instruction					
Salaries of Teachers	5,150.00	(500.00)	4,650.00	1,349.80	3,300.20
Purchased Professional - Educational Services		500.00	500.00	60.00	440.00
Total Home Instruction	<u>5,150.00</u>	<u>-</u>	<u>5,150.00</u>	<u>1,409.80</u>	<u>3,740.20</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>1,781,806.00</u>	<u>47,003.00</u>	<u>1,828,809.00</u>	<u>1,770,962.21</u>	<u>57,846.79</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	943,932.00	(90,091.00)	853,841.00	748,179.02	105,661.98
General Supplies	6,500.00	(250.00)	6,250.00	2,600.71	3,649.29
Total Basic Skills/Remedial - Instruction	<u>950,432.00</u>	<u>(90,341.00)</u>	<u>860,091.00</u>	<u>750,779.73</u>	<u>109,311.27</u>
Bilingual Education - Instruction					
Salaries of Teachers	62,407.00	-	62,407.00	59,957.73	2,449.27
Purchased Professional - Education Services	3,400.00	-	3,400.00		3,400.00
Other Purchased Services (400-500 Series)	420.00	-	420.00	176.43	243.57
General Supplies	1,775.00	-	1,775.00	274.96	1,500.04
Total Bilingual Education - Instruction	<u>68,002.00</u>	<u>-</u>	<u>68,002.00</u>	<u>60,409.12</u>	<u>7,592.88</u>
School-Spon. Co/Extra-Curr. Activities - Instruction					
Salaries	26,800.00	-	26,800.00	22,023.18	4,776.82
Supplies & Materials	2,500.00	-	2,500.00	195.75	2,304.25
Other Objects	1,300.00	-	1,300.00	555.00	745.00
Total School-Spon Co/Extra-Curr. Activities - Inst.	<u>30,600.00</u>	<u>-</u>	<u>30,600.00</u>	<u>22,773.93</u>	<u>7,826.07</u>
School-Sponsored Athletics - Instruction					
Salaries	40,269.00	-	40,269.00	38,716.06	1,552.94
Purchased Services (300-500 series)	5,500.00	-	5,500.00	3,575.00	1,925.00
Supplies & Materials	21,500.00	-	21,500.00	1,081.61	20,418.39
Other Objects	1,000.00	-	1,000.00	200.00	800.00
Total School-Sponsored Athletics - Inst.	<u>68,269.00</u>	<u>-</u>	<u>68,269.00</u>	<u>43,572.67</u>	<u>24,696.33</u>
Before/After School Programs - Instruction					
Salaries of Teachers	20,045.00	(3,230.00)	16,815.00	9,112.24	7,702.76
Total Before/After School Programs - Instruction	<u>20,045.00</u>	<u>(3,230.00)</u>	<u>16,815.00</u>	<u>9,112.24</u>	<u>7,702.76</u>
Summer School - Instruction					
Salaries of Teachers	55,715.00	(11,990.15)	43,724.85	22,891.62	20,833.23
Other Salaries of Instruction	12,480.00	5,690.15	18,170.15	18,107.75	62.40
General Supplies	2,000.00	-	2,000.00	440.00	1,560.00
Total Summer School - Instruction	<u>70,195.00</u>	<u>(6,300.00)</u>	<u>63,895.00</u>	<u>41,439.37</u>	<u>22,455.63</u>
<b>TOTAL INSTRUCTION</b>	<u>10,708,635.00</u>	<u>(118,483.51)</u>	<u>10,590,151.49</u>	<u>9,504,610.96</u>	<u>1,085,540.53</u>
<b>UNDISTRIBUTED EXPENDITURES</b>					
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State-Regular	9,019,874.00	10,000.00	9,029,874.00	9,019,874.00	10,000.00
Tuition to Other LEAs Within the State-Special	387,569.00	5,000.00	392,569.00	390,398.75	2,170.25
Tuition to County Voc. School Dist. - Regular	282,392.00	556.00	282,948.00	282,948.00	-
Tuition to County Voc. School Dist. - Special	112,096.00	(556.00)	111,540.00	93,890.00	17,650.00
Tuition to CSSD & Regional Day Schools	337,711.00	(83,497.24)	254,213.76	87,958.00	166,255.76
Tuition to Private Schools for the Disabled - W/I State	489,938.00	(38,787.00)	451,151.00	269,278.33	181,872.67
Tuition - State Facilities	39,872.00	-	39,872.00	39,872.00	-
Total Undistributed Expenditures - Instruction	<u>10,669,452.00</u>	<u>(107,284.24)</u>	<u>10,562,167.76</u>	<u>10,184,219.08</u>	<u>377,948.68</u>
Undistributed Expend. - Attend. & Social Worker					
Salaries	16,079.00	-	16,079.00	16,039.68	39.32
Other Purchased Services (400-500 series)	23,500.00	-	23,500.00	12,428.00	11,072.00
Total Undist. Expend. - Attend. & Social Worker	<u>39,579.00</u>	<u>-</u>	<u>39,579.00</u>	<u>28,467.68</u>	<u>11,111.32</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expend. - Health Services					
Salaries	259,412.00	5,073.24	264,485.24	258,667.48	5,817.76
Purchased Professional and Technical Services	7,850.00	16,800.00	24,650.00	22,782.50	1,867.50
Other Purchased Services (400-500 series)	150.00	-	150.00		150.00
Supplies & Materials	6,500.00	1,577.00	8,077.00	6,166.11	1,910.89
<b>Total Undistributed Expend. - Health Services</b>	<b>273,912.00</b>	<b>23,450.24</b>	<b>297,362.24</b>	<b>287,616.09</b>	<b>9,746.15</b>
Undist. Expend. - Speech, OT, PT, & Related Services					
Salaries	292,046.00	19,622.09	311,668.09	303,110.36	8,557.73
Purchased Professional - Education Services	82,000.00	(6,000.00)	76,000.00	73,208.50	2,791.50
Supplies & Materials	11,900.00	-	11,900.00	9,805.21	2,094.79
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Services</b>	<b>385,946.00</b>	<b>13,622.09</b>	<b>399,568.09</b>	<b>386,124.07</b>	<b>13,444.02</b>
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	471,289.00	(20,000.00)	451,289.00	397,220.72	54,068.28
Purchased Professional - Education Services	325,000.00	-	325,000.00	190,022.27	134,977.73
<b>Total Undist. Expend. - Other Support Services Students - Extraordinary Services</b>	<b>796,289.00</b>	<b>(20,000.00)</b>	<b>776,289.00</b>	<b>587,242.99</b>	<b>189,046.01</b>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	212,670.00	-	212,670.00	212,129.00	541.00
Supplies & Materials	5,500.00	1,000.00	6,500.00	209.31	6,290.69
<b>Total Undistributed Expenditures - Guidance</b>	<b>218,170.00</b>	<b>1,000.00</b>	<b>219,170.00</b>	<b>212,338.31</b>	<b>6,831.69</b>
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	382,060.00	184.00	382,244.00	361,530.64	20,713.36
Salaries of Secretarial and Clerical Assistants	44,535.00	6,455.00	50,990.00	48,199.92	2,790.08
Purchased Professional - Education Services	27,250.00	(866.00)	26,384.00	24,651.88	1,732.12
Other Purchased Professional and Tech. Services	14,500.00	866.00	15,366.00	12,566.65	2,799.35
Other Purchased Services (400-500 series)	13,950.00	-	13,950.00	6,690.66	7,259.34
Supplies & Materials	9,800.00	26.00	9,826.00	9,550.27	275.73
<b>Total Undistributed Expenditures - Child Study Teams</b>	<b>492,095.00</b>	<b>6,665.00</b>	<b>498,760.00</b>	<b>463,190.02</b>	<b>35,569.98</b>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Other Professional Staff	210,156.00	-	210,156.00	197,608.86	12,547.14
Salaries of Secretarial and Clerical Assistants	49,131.00	(6,665.00)	42,466.00		42,466.00
Purchased Professional Educational Services	157,300.00	-	157,300.00	142,359.19	14,940.81
Other Purchased Services (400-500 series)	3,000.00	449.00	3,449.00	2,061.36	1,387.64
Supplies & Materials	189,550.00	86,186.00	275,736.00	137,804.35	137,931.65
Other Objects	1,200.00	-	1,200.00	944.00	256.00
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>610,337.00</b>	<b>79,970.00</b>	<b>690,307.00</b>	<b>480,777.76</b>	<b>209,529.24</b>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	181,664.00	(1,780.00)	179,884.00	179,227.40	656.60
Purchased Professional and Technical Services	4,600.00	2,080.00	6,680.00	1,298.69	5,381.31
Supplies & Materials	15,000.00	6,106.80	21,106.80	15,161.17	5,945.63
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>201,264.00</b>	<b>6,406.80</b>	<b>207,670.80</b>	<b>195,687.26</b>	<b>11,983.54</b>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff	9,000.00	-	9,000.00	2,773.40	6,226.60
Purchased Professional Educational Services	8,000.00	(300.00)	7,700.00		7,700.00
Other Purchased Services (400-500 series)	43,000.00	-	43,000.00	21,326.14	21,673.86
Supplies & Materials	1,000.00	-	1,000.00	101.29	898.71
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>61,000.00</b>	<b>(300.00)</b>	<b>60,700.00</b>	<b>24,200.83</b>	<b>36,499.17</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	230,673.00	-	230,673.00	230,330.88	342.12
Legal Services	75,000.00	(7,630.00)	67,370.00	34,459.22	32,910.78
Audit Fee	31,000.00	-	31,000.00	29,350.00	1,650.00
Architectural/Engineering Services	10,000.00	45,000.00	55,000.00	44,089.50	10,910.50
Other Purchased Professional Services	35,000.00	(4,856.00)	30,144.00	13,685.00	16,459.00
Communications/Telephone	160,900.00	(45,984.87)	114,915.13	98,682.06	16,233.07
BOE Other Purchased Services	1,750.00	1,850.00	3,600.00	1,817.42	1,782.58
Misc. Purchased Services (400-500 series)	90,467.00	(650.00)	89,817.00	84,810.96	5,006.04
General Supplies	12,000.00	14,956.16	26,956.16	26,203.53	752.63
BOE In-House Training/Meeting Supplies	500.00	-	500.00	227.18	272.82
Miscellaneous Expenditures	7,940.00	-	7,940.00	4,544.00	3,396.00
BOE Membership Dues and Fees	17,000.00	-	17,000.00	16,430.45	569.55
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>672,230.00</b>	<b>2,685.29</b>	<b>674,915.29</b>	<b>584,630.20</b>	<b>90,285.09</b>
<b>Undist. Expend. - Supp. Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	336,725.00	-	336,725.00	336,724.56	0.44
Salaries Other Professional Staff	238,588.00	-	238,588.00	238,587.84	0.16
Salaries of Secretarial and Clerical Assistants	231,569.00	1,000.00	232,569.00	228,011.35	4,557.65
Other Purchased Services (400-500 series)	10,800.00	-	10,800.00	2,364.26	8,435.74
Supplies & Materials	15,000.00	(583.12)	14,416.88	3,119.46	11,297.42
Other Objects	6,000.00	-	6,000.00	4,754.97	1,245.03
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>838,682.00</b>	<b>416.88</b>	<b>839,098.88</b>	<b>813,562.44</b>	<b>25,536.44</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	309,748.00	2,212.00	311,960.00	311,912.70	47.30
Purchased Professional Services	18,600.00	(1,201.00)	17,399.00	4,650.00	12,749.00
Purchased Technical Services	9,800.00	867.00	10,667.00	10,666.60	0.40
Misc. Purchased Services (400-500 Series)	17,500.00	-	17,500.00	4,934.21	12,565.79
Supplies and Materials	9,000.00	4,134.00	13,134.00	11,605.64	1,528.36
Miscellaneous Expenditures	1,825.00	-	1,825.00	(534.00)	2,359.00
<b>Total Undistributed Expenditures - Central Service</b>	<b>366,473.00</b>	<b>6,012.00</b>	<b>372,485.00</b>	<b>343,235.15</b>	<b>29,249.85</b>
<b>Undistributed Expenditures- Admin. Info. Tech.</b>					
Salaries	130,076.00	-	130,076.00	129,887.17	188.83
Purchased Technical Services	55,150.00	-	55,150.00	26,476.80	28,673.20
Other Purchased Services (400-500 series)	6,500.00	-	6,500.00	-	6,500.00
Supplies and Materials	17,600.00	-	17,600.00	41.07	17,558.93
<b>Total Undistrib Expend- Admin. Info. Technology</b>	<b>209,326.00</b>	<b>-</b>	<b>209,326.00</b>	<b>156,405.04</b>	<b>52,920.96</b>
<b>Undist. Expend. - Required Maint. School Fac.</b>					
Salaries	122,015.00	5,056.00	127,071.00	115,865.38	11,205.62
Cleaning, Repair and Maintenance Service	1,466,080.00	429,357.30	1,895,437.30	1,129,017.42	766,419.88
General Supplies	240,000.00	(97,143.24)	142,856.76	109,688.80	33,167.96
<b>Total Undistributed Expenditures - Allowable Maintenance for School Facilities</b>	<b>1,828,095.00</b>	<b>337,270.06</b>	<b>2,165,365.06</b>	<b>1,354,571.60</b>	<b>810,793.46</b>
<b>Undist. Expend. - Other Oper. &amp; Maint.of Plant</b>					
Salaries	701,662.00	(10,418.17)	691,243.83	680,789.90	10,453.93
Purchased Professional and Technical Services	21,800.00	-	21,800.00	21,166.20	633.80
Cleaning, Repair, and Maintenance Services	30,400.00	1,256.89	31,656.89	15,023.59	16,633.30
Lease Purchase Payments - Energy Savings	415,064.00	-	415,064.00	415,064.00	-
Other Purchased Property Services	17,500.00	-	17,500.00	12,782.78	4,717.22
Insurance	78,925.00	-	78,925.00	76,846.00	2,079.00
Misc. Purchased Services (400-500 Series)	1,000.00	175.00	1,175.00	175.00	1,000.00
General Supplies	80,500.00	13,359.14	93,859.14	69,300.04	24,559.10
Energy(Natural Gas)	78,000.00	5,000.00	83,000.00	80,095.74	2,904.26
Energy(Electricity)	330,000.00	(155,861.00)	174,139.00	125,847.89	48,291.11
Other Objects	1,000.00	-	1,000.00	525.00	475.00
<b>Total Undistributed Expenditures - Other Operations and Maintenance of Plant</b>	<b>1,755,851.00</b>	<b>(146,488.14)</b>	<b>1,609,362.86</b>	<b>1,497,616.14</b>	<b>111,746.72</b>
<b>Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>					
Salaries	31,294.00	362.17	31,656.17	31,450.34	205.83
Cleaning, Repair, and Maintenance Services	33,000.00	-	33,000.00	19,095.57	13,904.43
General Supplies	10,900.00	3,595.27	14,495.27	11,253.11	3,242.16
<b>Total Undistributed Expenditures - Care &amp; Upkeep of Grounds</b>	<b>75,194.00</b>	<b>3,957.44</b>	<b>79,151.44</b>	<b>61,799.02</b>	<b>17,352.42</b>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Security					
Salaries	108,686.00	3,267.75	111,953.75	105,231.07	6,722.68
Total Undistributed Expenditures - Security	<u>108,686.00</u>	<u>3,267.75</u>	<u>111,953.75</u>	<u>105,231.07</u>	<u>6,722.68</u>
Total Undistributed Expenditures					
Operations and Maintenance of Plant	<u>3,767,826.00</u>	<u>198,007.11</u>	<u>3,965,833.11</u>	<u>3,019,217.83</u>	<u>946,615.28</u>
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	62,370.00	(406.75)	61,963.25	49,085.13	12,878.12
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	67,463.00	-	67,463.00	67,298.88	164.12
Sal.- Pup. Trans. (Bet. Home & School) - Special Ed	86,239.00	-	86,239.00	73,324.17	12,914.83
Other Purchased Professional and Tech. Services	4,430.00	-	4,430.00	3,500.00	930.00
Cleaning, Repair, & Maint. Services	15,200.00	-	15,200.00	6,005.92	9,194.08
Rental Payments - School Buses	17,950.00	30,000.00	47,950.00	19,968.49	27,981.51
Contracted Services - (Bet. Home & School) - Vendors	1,038,569.00	-	1,038,569.00	625,871.39	412,697.61
Contracted Services - (Other than Home & Sch) - Vendors	147,357.00	4,325.00	151,682.00	61,731.11	89,950.89
Contr. Serv. - (Bet. Home & School) Joint Agrm.	5,000.00	-	5,000.00	-	5,000.00
Contr. Serv. - (Special Ed. Students) - Vendors	584,104.00	(10,734.56)	573,369.44	438,867.62	134,501.82
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	22,725.00	-	22,725.00	-	22,725.00
Contr. Serv. - Aid in Lieu Payments - NonPub School	72,000.00	-	72,000.00	41,594.75	30,405.25
Transportation Supplies	43,650.00	-	43,650.00	10,538.16	33,111.84
Other Objects	1,655.00	-	1,655.00	320.00	1,335.00
Total Undistributed Expenditures - Student Transportation Services	<u>2,168,712.00</u>	<u>23,183.69</u>	<u>2,191,895.69</u>	<u>1,398,105.62</u>	<u>793,790.07</u>
Unallocated Benefits					
Social Security Contribution	320,000.00	-	320,000.00	267,367.02	52,632.98
Other Retirement Contributions - PERS	322,055.00	-	322,055.00	307,706.71	14,348.29
Workmen's Compensation	114,150.00	-	114,150.00	92,453.00	21,697.00
Health Benefits	3,402,662.00	(5,122.09)	3,397,539.91	2,742,608.85	654,931.06
Tuition Reimbursement	60,000.00	-	60,000.00	18,420.40	41,579.60
Other Employee Benefits	241,300.00	(2,000.00)	239,300.00	185,032.97	54,267.03
Total Unallocated Benefits	<u>4,460,167.00</u>	<u>(7,122.09)</u>	<u>4,453,044.91</u>	<u>3,613,588.95</u>	<u>839,455.96</u>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (Non-Budgeted)	-	-	-	3,037,644.00	(3,037,644.00)
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	727,973.07	(727,973.07)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,765,617.07</u>	<u>(3,765,617.07)</u>
Total Personal Services - Employee Benefits	<u>4,460,167.00</u>	<u>(7,122.09)</u>	<u>4,453,044.91</u>	<u>7,379,206.02</u>	<u>(2,926,161.11)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u><b>26,231,460.00</b></u>	<u><b>226,712.77</b></u>	<u><b>26,458,172.77</b></u>	<u><b>26,544,226.39</b></u>	<u><b>(86,053.62)</b></u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u><b>36,940,095.00</b></u>	<u><b>108,229.26</b></u>	<u><b>37,048,324.26</b></u>	<u><b>36,048,837.35</b></u>	<u><b>999,486.91</b></u>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve					
Equipment					
Undist. Expend. - Admin. Info. Tech. Equipment	8,000.00	42,340.00	50,340.00	41,505.41	8,834.59
Undist. Expend. - Custodial Services	44,700.00	95,000.00	139,700.00	28,061.92	111,638.08
Undist. Expend. - Non Instructional Services	-	6,300.00	6,300.00	-	6,300.00
Food Service	-	5,000.00	5,000.00	4,764.06	235.94
Total Equipment	<u>52,700.00</u>	<u>148,640.00</u>	<u>201,340.00</u>	<u>74,331.39</u>	<u>127,008.61</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	350,000.00	-	350,000.00	275,008.00	74,992.00
Construction Services	2,750,000.00	-	2,750,000.00	2,686,010.30	63,989.70
Assessment for Debt Service on SDA funding	3,900.00	-	3,900.00	3,900.00	-
Total Facilities Acquisition and Construction Services	<u>3,103,900.00</u>	<u>-</u>	<u>3,103,900.00</u>	<u>2,964,918.30</u>	<u>138,981.70</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u><b>3,156,600.00</b></u>	<u><b>148,640.00</b></u>	<u><b>3,305,240.00</b></u>	<u><b>3,039,249.69</b></u>	<u><b>265,990.31</b></u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>SPECIAL SCHOOLS</b>					
Adult Education -Local- Instruction					
Salaries of Teachers	8,400.00	10,000.00	18,400.00	17,399.80	1,000.20
Other Purchased Services (400-500 Series)	600.00	6,000.00	6,600.00	1,895.00	4,705.00
General Supplies	800.00	-	800.00	104.90	695.10
Total Adult Education	<u>9,800.00</u>	<u>16,000.00</u>	<u>25,800.00</u>	<u>19,399.70</u>	<u>6,400.30</u>
<b>TOTAL SPECIAL SCHOOLS</b>	<u>9,800.00</u>	<u>16,000.00</u>	<u>25,800.00</u>	<u>19,399.70</u>	<u>6,400.30</u>
Transfer of Funds to Charter Schools	83,898.00	24,911.00	108,809.00	108,809.00	-
<b>TOTAL EXPENDITURES</b>	<u>40,190,393.00</u>	<u>297,780.26</u>	<u>40,488,173.26</u>	<u>39,216,295.74</u>	<u>1,271,877.52</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,155,284.00)</u>	<u>(297,780.26)</u>	<u>(5,453,064.26)</u>	<u>(31,167.72)</u>	<u>5,421,896.54</u>
<b>Other Financing Sources and Uses:</b>					
<b>Operating Transfers In (Out):</b>					
Interest Deposit to Capital Reserve	(1,250.00)		(1,250.00)		1,250.00
Increase in Maintenance Reserve	(1,000.00)		(1,000.00)		1,000.00
Capital Project Interest			-	2,875.38	2,875.38
Capital Project Fund Balance Cancelled			-	109,658.92	109,658.92
Total Other Financing Sources:	<u>(2,250.00)</u>	<u>-</u>	<u>(2,250.00)</u>	<u>112,534.30</u>	<u>114,784.30</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(5,157,534.00)	(297,780.26)	(5,455,314.26)	81,366.58	5,536,680.84
Fund Balance July 1	<u>10,492,724.81</u>		<u>10,492,724.81</u>	<u>10,492,724.81</u>	<u>-</u>
Fund Balance June 30	<u>\$ 5,335,190.81</u>	<u>\$ (297,780.26)</u>	<u>\$ 5,037,410.55</u>	<u>\$ 10,574,091.39</u>	<u>\$ 5,536,680.84</u>
<b>Restricted Fund Balance</b>					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 975,000.00	
Excess Surplus - Current Year				975,000.00	
<b>Committed Fund Balance:</b>					
Capital Reserve				1,319,896.75	
Capital Reserve - Designated for Subsequent Year's Expenditures				3,288,000.00	
Maintenance Reserve				1,420,000.00	
<b>Assigned Fund Balance</b>					
Designated for Subsequent Year's Expenditures				3,659.00	
Year-End Encumbrances				1,674,526.07	
<b>Unassigned Fund Balance</b>				<u>918,009.57</u>	
				10,574,091.39	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP basis				(861,155.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,712,936.39</u>	



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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	572,210.00	122,663.00	694,873.00	670,108.97	(24,764.03)
Total Revenues	<u>572,210.00</u>	<u>122,663.00</u>	<u>694,873.00</u>	<u>670,108.97</u>	<u>(24,764.03)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	133,163.00	(53,670.00)	79,493.00	79,493.00	-
Other Salaries for Instruction				-	-
Purchased Professional and Technical Services		1,050.00	1,050.00	1,050.00	-
Other Purchased Services (400-500 series)	399,500.00	77,696.00	477,196.00	476,231.00	965.00
General Supplies	8,500.00	29,879.00	38,379.00	19,394.31	18,984.69
Total Instruction	<u>541,163.00</u>	<u>54,955.00</u>	<u>596,118.00</u>	<u>576,168.31</u>	<u>19,949.69</u>
Support Services:					
Personal Services - Employee Benefits		43,876.00	43,876.00	43,875.68	0.32
Purchased Professional and Technical Services	-	6,850.00	6,850.00	6,850.00	-
Other Purchased Services (400-500 series)	31,047.00	16,482.00	47,529.00	43,214.98	4,314.02
Supplies & Materials		500.00	500.00	-	500.00
Total Support Services	<u>31,047.00</u>	<u>67,708.00</u>	<u>98,755.00</u>	<u>93,940.66</u>	<u>4,814.34</u>
Total Expenditures	<u>572,210.00</u>	<u>122,663.00</u>	<u>694,873.00</u>	<u>670,108.97</u>	<u>24,764.03</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	-	-	-	-

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## **Notes to the Required Supplementary Information**



**TOWNSHIP OF UPPER SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to Required Supplementary Information**  
**For the Year Ended June 30, 2020**

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

	General Fund	Special Revenue Fund
<b>Sources / inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 39,185,128.02	[C-2] \$ 670,108.97
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		184.87
The Final State Aid payment for the Year Ended June 30, 2019 that was delayed until July 2019 was recorded as budgetary revenue for the Year Ended June 30, 2019 but is not recognized under GAAP until the Year Ended June 30, 2019.	940,801.00	
The Final State Aid payment for the Year Ended June 30, 2020 that was delayed until July 2020 was recorded as budgetary revenue for the Year Ended June 30, 2020 but is not recognized under GAAP until the Year Ended June 30, 2020.	(861,155.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>39,264,774.02</u>	[B-2] <u>670,293.84</u>
<b>Uses / outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] 39,216,295.74	[C-2] 670,108.97
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.		184.87
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 39,216,295.74</u>	[B-2] <u>\$ 670,293.84</u>

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## **Required Supplementary Information – Part III**





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

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.02931020940%	0.02944594310%	0.02809325450%	0.02732247890%	0.0240421488%	0.0268356223%	0.0261585060%
District's proportionate of the net pension liability (asset)	5,281,255	5,797,759	6,539,661	8,092,135	\$ 5,396,981	\$ 5,024,362	\$ 4,999,410
District's covered payroll	2,076,906	2,076,906	2,070,979	2,008,124	\$ 2,018,575	\$ 1,716,833	\$ 1,823,408
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	254.28%	279.15%	315.78%	402.97%	267.37%	292.65%	274.18%
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

**TOWNSHIP OF UPPER SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Six Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	285,102	294,446	263,803	244,059	\$ 206,698	\$ 197,099	\$ 208,838
Contributions in relation to the contractually required contribution	<u>285,102</u>	<u>294,446</u>	<u>263,803</u>	<u>244,059</u>	<u>206,698</u>	<u>197,099</u>	<u>208,838</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,076,906	\$ 2,076,906	\$ 2,070,979	\$ 2,008,124	\$ 2,018,575	\$ 1,716,833	\$ 1,823,408
Contributions as a percentage of covered-employee payroll	13.73%	14.18%	12.74%	12.15%	10.24%	11.48%	11.45%

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

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

**TOWNSHIP OF UPPER SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Five Fiscal Years**

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>62,581,944</u>	<u>63,667,534</u>	<u>66,955,354</u>	<u>74,543,014</u>	<u>61,681,017</u>	<u>51,101,385</u>
Total	<u>\$ 62,581,944</u>	<u>\$ 63,667,534</u>	<u>\$ 66,955,354</u>	<u>\$ 74,543,014</u>	<u>\$ 61,681,017</u>	<u>\$ 51,101,385</u>
District's covered payroll	10,653,332	10,653,332	10,544,908	10,694,063	\$ 10,444,234	\$ 9,517,531
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)			
District's proportionate of the net OPEB liability (asset)	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 45,505,597.00</u>	<u>\$ 50,922,094.00</u>	<u>\$ 59,180,118.00</u>
<b>Total</b>	<u><b>\$ 45,505,597.00</b></u>	<u><b>\$ 50,922,094.00</b></u>	<u><b>\$ 59,180,118.00</b></u>
District's covered payroll	12,730,238.00	12,730,238.00	12,615,887.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
State's proportionate share of OPEB associated with the District:			
Service Cost	1,699,764.00	1,905,504.00	2,298,993.00
Interest Cost	2,010,486.00	2,163,541.00	1,868,142.00
Differences between Expected & Actual	(8,449,761.00)	(5,168,925.00)	-
Changes in Assumptopns	678,492.00	(5,843,565.00)	(7,572,104.00)
Member Contributions	41,408.00	47,060.00	50,474.00
Benefit Payments	(1,396,866.00)	(1,361,639.00)	(1,370,737.00)
Change in Total Opeb Liability	<u>(5,416,477.00)</u>	<u>(8,258,024.00)</u>	<u>(4,725,232.00)</u>
State's proportionate share of the net OPEB liability (asset) associated with the District - Beginning Balance	<u>50,922,094.00</u>	<u>59,180,118.00</u>	<u>63,905,350.00</u>
Ending Balance	<u><b>\$ 45,505,617.00</b></u>	<u><b>\$ 50,922,094.00</b></u>	<u><b>\$ 59,180,118.00</b></u>
State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll	357.46%	400.01%	469.09%

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

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

## **Other Supplementary Information**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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





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

	Title I Part A	Title IIA	Title IV	IDEA	IDEA Preschool	Totals 2020
<b>REVENUES:</b>						
Federal Sources	\$ 159,795.67	\$ 24,364.98	\$ 9,717.32	\$ 460,173.00	\$ 16,058.00	670,108.97
Total Revenues	<u>159,795.67</u>	<u>24,364.98</u>	<u>9,717.32</u>	<u>460,173.00</u>	<u>16,058.00</u>	<u>670,108.97</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	79,493.00					79,493.00
Other Salaries for Instruction		1,050.00				1,050.00
Purchased Professional and Technical Services						
Tuition						
Other Purchased Services (400-500 series)				460,173.00	16,058.00	476,231.00
Other Objects			9,717.32			9,717.32
General Supplies	9,676.99					19,394.31
Total Instruction	<u>89,169.99</u>	<u>1,050.00</u>	<u>9,717.32</u>	<u>460,173.00</u>	<u>16,058.00</u>	<u>576,168.31</u>
Support Services:						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits	43,875.68					43,875.68
Purchased Professional and Technical Services	26,750.00	6,850.00				6,850.00
Other Purchased Services (400-500 series)		16,464.98				43,214.98
Supplies & Materials						
Total Support Services	<u>70,625.68</u>	<u>23,314.98</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,940.66</u>
Other Financing Sources (Uses)						
None	-	-	-	-	-	-
Total Expenditures	<u>159,795.67</u>	<u>24,364.98</u>	<u>9,717.32</u>	<u>460,173.00</u>	<u>16,058.00</u>	<u>670,108.97</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

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



**TOWNSHIP OF UPPER SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2020**

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2020
			Prior Years	Current Year	
HVAC & Electrical Upgrades - Primary School	8/27/2014	\$ 3,133,455.68	\$ 3,261,157.93	\$ (127,702.25)	\$ -
		<u>\$ 3,133,455.68</u>	<u>\$ 3,261,157.93</u>	<u>\$ (127,702.25)</u>	<u>\$ -</u>

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

Revenues and Other Financing Sources	
State Sources	
School Construction Corporation Grant	<u>\$ (73,118.40)</u>
Total revenue	<u>(73,118.40)</u>
Expenditures and Other Financing Uses	
Construction Services	<u>(127,702.25)</u>
Total expenditures	<u>(127,702.25)</u>
Deficiency of revenues over expenditures	54,583.85
Other Financing Sources/(Uses)	
Transfers in / (out)	(109,658.92)
Fund balance - beginning	<u>55,075.07</u>
Fund balance - ending	<u><u>\$ -</u></u>

**TOWNSHIP OF UPPER SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance,**  
**and Project Status - Budgetary Basis**  
**HVAC & Electrical Upgrades - Primary School**  
**From Inception and for the Year Ended June 30, 2020**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Source:				
State Sources				
School Development Authority	\$ 1,326,493.00	\$ (73,118.40)	\$ 1,253,374.60	\$ 1,253,374.60
Bond proceeds and transfer:				
Transfers from General Fund	1,989,740.00	(109,658.92)	1,880,081.08	1,880,081.08
Total revenue	<u>3,316,233.00</u>	<u>(182,777.32)</u>	<u>3,133,455.68</u>	<u>3,133,455.68</u>
Expenditures and Other Financing Use:				
Purchased professional and technical service	238,719.00		238,719.00	238,719.00
Construction services	<u>3,022,438.93</u>	<u>(127,702.25)</u>	<u>2,894,736.68</u>	<u>2,894,736.68</u>
Total expenditures:	<u>3,261,157.93</u>	<u>(127,702.25)</u>	<u>3,133,455.68</u>	<u>3,133,455.68</u>
Excess of revenues over expenditures:	<u>\$ 55,075.07</u>	<u>\$ (55,075.07)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project number	5340-055-14-1003
Grant date	8/27/2014
Bond authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 3,316,233.00
Additional authorized cost	\$ (182,777.32)
Revised authorized cost	\$ 3,133,455.68
Percentage increase over original cost	-5.51%
Percentage completed	100%
Original target completion date	9/30/2015
Revised target completion date	2019

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## **FIDUCIARY FUNDS DETAIL STATEMENTS**

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

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

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

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

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



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

	Unemployment Compensation Trust	Agency Funds	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 145,137.18	126,680.79	271,817.97
Total Assets	145,137.18	126,680.79	271,817.97
<b>LIABILITIES</b>			
Payable to Student Groups		122,557.37	122,557.37
Accounts Payable	35,934.18		35,934.18
Payroll Deductions & Withholdings		4,123.42	4,123.42
Total Liabilities	35,934.18	126,680.79	162,614.97
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 109,203.00		109,203.00
Total Net Position			109,203.00
Total Liabilities and Net Position			271,817.97

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

	Unemployment Compensation Trust	Totals
ADDITIONS		
Contributions:		
Plan Member	\$ 34,357.07	34,357.07
Total Contributions	<u>34,357.07</u>	<u>34,357.07</u>
Investments Earnings:		
Interest	396.38	396.38
Net Investment Earnings	<u>396.38</u>	<u>396.38</u>
Total Additions	<u>34,753.45</u>	<u>34,753.45</u>
Deductions		
Unemployment Claims	52,157.02	52,157.02
Total Deductions	<u>52,157.02</u>	<u>52,157.02</u>
Change in Net Position	(17,403.57)	(17,403.57)
Net Position - Beginning of the Year	<u>126,606.57</u>	<u>126,606.57</u>
Net Position - End of the Year	<u>\$ 109,203.00</u>	<u>109,203.00</u>

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Primary School	\$ 19,106.56	16,523.19	10,935.19	24,694.56
Elementary School	29,808.55	20,274.02	25,835.77	24,246.80
Middle School	71,074.53	85,324.63	82,783.15	73,616.01
Total Assets	<u>\$ 119,989.64</u>	<u>122,121.84</u>	<u>119,554.11</u>	<u>122,557.37</u>

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

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1,761.81	15,589,879.25	15,587,517.64	4,123.42
<b>Total Assets</b>	<u>1,761.81</u>	<u>15,589,879.25</u>	<u>15,587,517.64</u>	<u>4,123.42</u>
<b>LIABILITIES:</b>				
Payroll Deductions & Withholding	1,761.81	6,929,930.48	6,927,568.87	4,123.42
Net Pay	-	8,659,948.77	8,659,948.77	-
<b>Total Liabilities</b>	<u>\$ 1,761.81</u>	<u>15,589,879.25</u>	<u>15,587,517.64</u>	<u>4,123.42</u>

## **Statistical Section**





UPPER TOWNSHIP SCHOOL DISTRICT  
 Net Position by Component,  
 Last Ten Fiscal Years  
*(Accrual basis of accounting)*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	8,349,822	8,162,119	8,925,047	10,389,753	10,665,433	9,969,674	12,576,610.02	12,678,810.23	12,600,042.00	11,600,454.00
Restricted	1,112,321	1,573,167	2,020,091	1,785,954	1,726,565	2,390,906	5,039,316.75	6,919,380.83	9,337,136.43	7,977,896.75
Unrestricted*	872,221	2,221,324	1,772,393	(1,714,209)	601,104	1,628,102	(5,319,666.45)	(6,105,085.95)	(6,518,993.55)	(5,109,064.36)
Total governmental activities net position	10,334,364	11,956,610	12,717,533	10,461,498	12,993,102	13,988,682	12,296,260.32	13,493,105.11	15,418,184.88	14,469,286.39
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	6,868	5,211	3,555	1,898	536	-	3,687.30	23,065.32	32,068.78	27,664.44
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	68,826	127,240	203,389	278,538	348,969	456,641	490,906.57	506,170.76	563,781.47	548,437.70
Total business-type activities net position	75,694	132,451	206,944	280,436	349,505	456,641	494,593.87	529,236.08	595,850.25	576,102.14
<b>District-wide</b>										
Invested in capital assets, net of related debt	8,356,690	8,167,330	8,928,602	10,391,651	10,665,969	9,969,674	12,580,297.32	12,701,875.55	12,632,110.78	11,628,118.44
Restricted	1,112,321	1,573,167	2,020,091	1,785,954	1,726,565	2,390,906	5,039,316.75	6,919,380.83	9,337,136.43	7,977,896.75
Unrestricted	941,047	2,348,564	1,975,782	(1,435,671)	950,073	2,084,743	(4,828,739.88)	(5,998,915.19)	(5,995,212.08)	(4,560,626.66)
Total district net position	10,410,058	12,089,061	12,924,475	10,741,934	13,342,607	14,445,323	12,790,854.19	14,022,341.19	16,014,035.13	15,045,886.53

\* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: CAFR Schedule A-1

UPPER TOWNSHIP SCHOOL DISTRICT  
Changes in Net Position,  
Last Ten Fiscal Years  
(actual/basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	9,377,274	8,920,874	8,341,566	8,957,017	10,405,256	11,177,513	13,395,377	13,334,356	12,449,274	11,156,455
Special education	2,935,387	2,961,941	2,645,265	3,034,663	3,244,159	3,512,911	3,880,901	4,119,795	4,017,512	3,847,988
Other special education	905,708	761,682	733,037	883,008	1,220,260	1,332,906	1,739,797	2,013,622	2,016,679	1,521,427
Support Services:										
Tuition	12,549,057	12,167,386	13,741,490	10,023,586	10,005,740	11,635,035	11,768,554	10,664,698	10,551,349	10,184,219
Student & instruction related services	2,412,985	2,835,879	2,780,593	3,076,178	3,442,238	4,055,337	4,976,640	5,327,899	5,408,179	4,523,829
General administrative services	644,043	739,592	597,337	679,856	892,085	901,095	739,512	736,212	706,985	721,954
School administrative services	1,028,187	1,024,769	905,603	914,407	1,088,419	1,157,392	1,213,299	1,195,475	1,082,741	1,004,660
Business administrative services	643,626	682,479	567,572	622,911	719,734	778,196	768,948	685,264	689,171	617,001
Plant operations and maintenance	1,585,791	2,229,622	2,467,023	2,900,311	3,195,915	3,817,651	5,188,214	4,209,252	2,613,065	6,656,967
Pupil transportation	1,705,324	1,568,054	2,071,843	2,364,623	2,386,717	2,564,212	1,774,366	1,783,599	1,879,439	1,398,106
Capital Outlay			61,078	21,375	11,658	103,640	-	-	-	-
Special schools	8,332	17,284	14,755	15,590	13,517	12,651	9,730	10,607	16,694	19,400
Charter Schools	48,440	61,595	52,619	78,068	65,198	68,842	107,941	86,064	111,372	108,609
Interest on long-term debt	21,147	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	33,865,302	33,961,167	34,979,781	33,571,593	36,690,896	41,117,381	45,563,278	44,168,841	41,542,462	41,760,815
Business-type activities:										
Food service	468,002	418,085	374,212	317,304	332,998	310,401	311,338	312,384	310,396	281,251
KEYS	154,359	165,905	157,116	165,287	164,184	189,216	187,167	227,845	215,175	190,184
Total business-type activities expenses	622,361	583,990	531,328	482,591	497,182	499,617	498,505	540,229	525,571	471,434
Total district expenses	34,487,663	34,545,157	35,511,109	34,054,184	37,188,078	41,616,998	46,061,783	44,709,070	42,068,033	42,232,249
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Pupil transportation	68,377	67,092	722,287	861,074	911,745	1,045,148	1,384,531	1,173,946	1,284,378	920,392
Operating grants and contributions	1,040,729	1,470,366	714,400	681,614	3,311,000	4,444,958	8,339,149	9,822,671	7,722,540	5,255,500
Capital grants and contributions	128,392	-	-	-	-	-	79,589	-	-	-
Total governmental activities program revenues	1,237,498	1,537,458	1,436,687	1,542,688	4,222,745	5,490,106	9,803,269	10,996,617	9,006,918	6,175,892
Business-type activities:										
Charges for services:										
Food service	318,736	289,624	239,783	212,886	212,071	210,350	190,376	190,212	191,720	143,584
KEYS	156,339	219,032	226,000	217,506	222,293	265,566	239,476	239,526	262,309	169,364
Operating grants and contributions	144,942	131,443	139,730	131,384	131,414	130,245	121,190	121,955	123,175	137,076
Total business-type activities program revenue	620,017	640,099	605,513	561,776	565,778	606,161	551,041	551,693	577,204	450,024
Total district program revenue	1,857,515	2,177,557	2,042,200	2,104,464	4,788,523	6,096,267	10,354,310	11,548,310	9,584,122	6,625,716
<b>Net (Expense)/Revenue</b>										
Governmental activities	(32,627,804)	(32,423,709)	(33,543,094)	(32,028,905)	(32,468,151)	(35,627,275)	(35,760,008)	(33,172,224)	(32,535,544)	(35,585,122)
Business-type activities	(2,344)	56,109	74,185	79,185	68,596	106,545	52,536	11,464	51,633	(21,410)
Total district-wide net expense	(32,630,148)	(32,367,600)	(33,468,909)	(31,949,720)	(32,399,555)	(35,520,731)	(35,707,472)	(33,160,760)	(32,483,912)	(35,606,532)

UPPER TOWNSHIP SCHOOL DISTRICT  
Changes in Net Position,  
Last Ten Fiscal Years  
(actual/basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	21,683,008	22,100,328	21,928,000	22,813,892	22,975,000	23,200,000	23,664,000	24,000,000	24,290,000	24,926,570
Taxes levied for debt service	278,902	290,743	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	11,812,942	10,830,328	11,854,449	11,598,394	11,894,785	13,310,259	10,311,872	10,233,725	10,114,586	9,530,266
Municipal Surplus	-	-	-	-	-	-	-	-	-	-
Tuition	820,274	773,600	-	-	-	-	-	-	-	-
Cancellation of Prior Year Accounts Payable	332,296	123,821	263,504	162,897	129,970	112,596	91,714	157,786	69,446	124,804
Miscellaneous income	-	-	-	-	-	-	-	(22,442)	(13,408)	54,584
Transfers	34,927,422	34,118,820	34,045,853	34,575,183	34,999,755	36,622,855	34,067,587	34,369,069	34,460,624	34,636,224
<b>Total governmental activities</b>	<b>1,778</b>	<b>1,563</b>	<b>649</b>	<b>361</b>	<b>473</b>	<b>591</b>	<b>636</b>	<b>737</b>	<b>1,573</b>	<b>1,662</b>
Business-type activities:										
Investment earnings	-	-	-	(6,062)	-	-	(15,219)	-	-	-
Prior Year's Accounts Payable	1,778	1,563	649	361	473	591	636	737	1,573	1,662
Transfers	-	-	-	(6,062)	-	-	-	-	-	-
Total business-type activities	1,778	1,563	649	(6,062)	473	591	636	737	1,573	1,662
Total district-wide	34,929,200	34,120,383	34,046,602	34,569,492	35,000,228	36,623,446	34,053,004	34,392,247	34,475,604	34,637,886
Changes in Net Position	2,299,618	1,695,111	502,859	2,546,278	2,531,604	995,580	(1,692,422)	1,196,845	1,925,080	(948,898)
Governmental activities	(566)	57,672	74,834	73,494	69,069	107,136	37,953	34,642	66,614	(19,748)
Business-type activities	2,299,052	1,752,783	577,693	2,619,772	2,600,673	1,102,716	(1,654,469)	1,231,487	1,991,694	(968,647)
<b>Total district</b>	<b>(566)</b>	<b>1,752,783</b>	<b>577,693</b>	<b>2,619,772</b>	<b>2,600,673</b>	<b>1,102,716</b>	<b>(1,654,469)</b>	<b>1,231,487</b>	<b>1,991,694</b>	<b>(968,647)</b>

Source: CAFR Schedule A-2



**UPPER TOWNSHIP SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	22,391,071	21,928,000	22,366,560	22,813,892	22,975,000	23,200,000	23,664,000	24,000,000	24,290,000	24,926,570
Municipal Surplus	-	-	-	-	-	-	-	-	-	-
Tuition charges	773,600	701,995	666,363	669,893	838,772	962,741	1,319,383	1,126,320	1,134,921	873,397
Transportation charges	68,377	67,092	55,924	191,181	72,973	82,407	65,149	47,626	149,457	46,996
Miscellaneous	123,821	263,504	81,432	162,897	129,970	112,596	91,714	157,786	69,446	124,804
State sources	10,958,720	11,480,189	11,819,451	11,552,478	12,378,998	13,800,007	13,186,392	13,440,197	13,831,698	13,268,862
Federal sources	1,040,729	1,142,631	715,334	727,530	604,660	713,504	699,003	722,851	718,636	697,315
Local Sources	1,000	-	-	-	-	-	-	-	-	-
Total revenue	35,357,318	35,583,411	35,705,064	36,117,871	37,000,373	38,871,255	39,024,841	39,494,780	40,194,158	39,937,943
<b>Expenditures</b>										
Instruction:										
Regular instruction	6,958,399	6,452,129	7,501,056	6,856,387	7,220,134	7,383,314	7,804,698	7,053,733	7,144,293	6,805,562
Special education instruction	2,258,803	2,135,144	2,211,028	2,289,941	2,251,099	2,320,456	2,261,173	2,182,071	2,305,539	2,347,315
Other special education instruction	662,264	549,066	612,705	666,314	846,730	880,452	1,013,677	1,062,328	1,157,316	928,087
Support Services:										
Tuition	12,549,057	12,167,396	11,485,737	10,023,586	10,005,740	11,635,035	11,768,554	10,664,698	10,551,349	10,184,219
Student & instruction related services	1,834,636	2,044,270	2,324,141	2,321,268	2,388,544	2,678,756	2,899,595	2,819,526	3,103,604	2,759,586
General administrative services	552,179	533,142	499,280	513,016	619,012	595,219	500,821	513,650	526,114	584,630
School administrative services	737,322	491,971	756,942	690,007	755,246	764,516	821,685	834,075	805,738	813,562
Business administrative services	471,356	738,715	474,402	470,046	499,418	514,038	520,756	478,105	512,857	499,640
Plant operations and maintenance	1,843,874	1,982,349	2,231,973	2,188,560	2,217,623	2,521,752	3,513,626	2,936,768	2,484,263	3,019,218
Pupil transportation	1,511,995	1,516,354	1,731,737	1,784,333	1,656,126	1,693,792	1,774,366	1,783,599	1,879,439	1,398,106
Unallocated employee benefits	4,347,255	4,612,836	5,026,739	4,912,030	5,238,519	5,708,451	6,009,852	6,517,712	7,249,715	7,379,206
Special schools	6,155	10,788	12,333	11,764	9,380	8,355	9,730	10,607	16,694	19,400
Charter Schools	48,440	61,595	52,619	78,068	65,198	68,842	107,941	88,064	111,372	108,809
Capital outlay	317,180	360,883	1,490,683	2,471,414	912,285	2,844,325	809,473	1,183,299	207,367	3,039,250
Debt service:										
Principal	399,000	-	-	-	-	-	-	-	-	-
Interest and other charges	21,147	-	-	-	-	-	-	-	-	-
Total Expenditures	34,519,662	33,656,638	36,411,375	35,276,734	34,685,054	39,617,303	39,815,949	38,128,236	38,055,658	39,886,590
Excess (Deficiency) of revenues over (under) expenditures	837,656	1,926,773	(706,311)	841,137	2,315,319	(746,048)	(791,308)	1,366,544	2,138,500	51,354
<b>Other Financing Sources (Uses)</b>										
Bond and Lease Proceeds	-	-	731,330	-	-	-	-	(22,442)	(13,408)	54,584
Transfers	-	-	-	-	-	-	-	-	-	-
Cancellation of Prior Year Accounts Payable	-	-	35,638	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	766,968	-	-	-	-	(22,442)	(13,408)	54,584
Net change in fund balances	837,656	1,926,773	60,657	841,137	2,315,319	(746,048)	(791,308)	1,344,103	2,125,092	105,938
Debt service as a percentage of noncapital expenditures	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: CAFR Schedule B-2

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

Fiscal Year Ended June 30,	Municipal Surplus	Tuition Revenue	Transportation Revenue	Interest on Investments	Community Education Fees	Miscellaneous	Totals
2011	-	773,600	68,377	65,876	10,561	47,384	965,798
2012	-	701,995	67,092	31,599	19,683	212,214	1,032,583
2013	-	666,363	55,924	12,337	15,201	81,432	831,257
2014	-	669,893	191,181	12,060	12,151	138,686	1,023,971
2015	-	838,772	72,973	13,771	14,042	102,157	1,041,715
2016	-	962,741	82,407	-	-	112,596	1,157,744
2017	-	1,319,383	65,149	-	-	91,703	1,476,235
2018	-	1,126,320	47,626	-	-	156,842	1,330,788
2019	-	1,134,921	149,457	-	-	67,510	1,351,888
2020	-	873,397	46,996	-	-	121,929	1,042,321

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q. Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2011	89,391,100	1,901,222,300	13,167,600	455,500	204,294,500	24,019,300	1,115,200	2,233,665,500	6,327,264	2,239,992,764	0.979	2,180,136,713
2012	83,753,100	1,885,358,600	12,790,900	466,700	203,823,700	24,019,300	1,132,200	2,211,344,500	6,237,698	2,217,582,198	1.009	2,121,045,983
2013	79,424,700	1,862,085,800	13,171,400	485,700	200,508,000	24,019,300	1,404,600	2,181,109,500	5,122,905	2,186,232,405	1.044	1,999,140,912
2014	75,968,300	1,840,681,400	12,545,300	511,700	198,419,400	24,019,300	3,279,300	2,155,424,700	4,322,083	2,159,746,783	1.064	1,901,835,701
2015	67,165,500	1,487,098,100	10,247,300	525,300	197,528,800	16,992,600	2,224,500	1,781,782,100	4,411,317	1,786,193,417	1.299	1,933,545,452
2016	67,137,400	1,492,490,400	8,029,200	502,200	198,925,300	16,992,600	2,049,500	1,786,126,600	4,097,961	1,790,224,561	1.322	1,940,116,125
2017	64,422,300	1,562,607,700	8,237,800	505,500	199,004,300	16,992,600	1,048,800	1,852,819,000	4,113,457	1,856,932,457	1.283	1,973,679,725
2018	62,851,500	1,570,171,500	9,937,400	545,000	198,478,300	16,992,600	1,048,800	1,860,025,100	4,302,832	1,864,327,932	1.303	1,923,814,287
2019	61,772,700	1,580,477,900	9,928,500	537,200	200,778,200	16,992,600	1,048,800	1,871,535,900	-	1,871,535,900	1.332	1,946,824,665
2020	58,193,700	1,591,098,900	10,048,100	524,100	200,413,000	9,200,000	1,048,800	1,870,526,600	-	1,870,526,600	1.367	1,976,278,669

R = Revaluation

Source: County Abstract of Ratables & Municipal Tax Assessor

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

Fiscal Year Ended June 30,	UPPER TOWNSHIP SCHOOL DISTRICT			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Library	County Open Space	Municipal Local Purpose	
2011	0.979	-	0.979	0.177	0.029	0.010	0.094	1.289
2012	1.009	-	1.009	0.184	0.028	0.010	0.094	1.325
2013	1.043	-	1.043	0.186	0.027	0.010	0.094	1.360
2014	1.063	-	1.063	0.184	0.026	0.009	0.125	1.407
2015	1.299	-	1.299	0.232	0.032	0.011	0.151	1.725
2016	1.322	-	1.322	0.236	0.032	0.011	0.171	1.772
2017	1.293	-	1.293	0.233	0.036	0.011	0.171	1.744
2018	1.303	-	1.303	0.232	0.035	0.011	0.183	1.764
2019	1.332	-	1.332	0.237	0.035	0.011	0.196	1.811
2020	1.367	-	1.367	0.241	0.036	0.011	0.201	1.856

Source: District Records and Municipal Tax Collector





**UPPER TOWNSHIP SCHOOL DISTRICT  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	22,391,071.00	22,391,071.00	100%	-
2012	21,928,000.00	21,928,000.00	100%	-
2013	22,366,560.00	22,366,560.00	100%	-
2014	22,813,892.00	22,813,892.00	100%	-
2015	22,975,000.00	22,975,000.00	100%	-
2016	23,200,000.00	23,200,000.00	100%	-
2017	23,664,000.00	23,664,000.00	100%	-
2018	24,000,000.00	24,000,000.00	100%	-
2019	24,290,000.00	24,290,000.00	100%	-
2020	24,926,570.00	24,926,570.00	100%	-

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

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita Personal Income *
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2011	-	75,354	-	75,354	0.00814%	46,329
2012	-	30,380	-	30,380	0.00814%	47,498
2013	-	129,165	-	129,165	0.00817%	48,694
2014	-	-	-	-	0.00821%	52,276
2015	-	-	-	-	0.00826%	53,932
2016	-	-	-	-	0.00832%	51,912
2017	-	-	-	-	0.00835%	53,309
2018	-	-	-	-	0.00841%	54,865
2019	-	-	-	-	0.00843%	58,324
2020	-	-	-	-	0.00839%	60,877

\* = Data shown is for the entire County of Cape May.

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

**UPPER TOWNSHIP SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2011	-		-	0.00%	46,329
2012	-		-	0.00%	47,498
2013	-		-	0.00%	48,694
2014	-		-	0.00%	52,276
2015	-		-	0.00%	53,932
2016	-		-	0.00%	51,912
2017	-		-	0.00%	53,309
2018	-		-	0.00%	54,865
2019	-		-	0.00%	58,324
2020	-		-	0.00%	60,877

**UPPER TOWNSHIP SCHOOL DISTRICT  
Direct and Overlapping Governmental Activities Debt,  
As of June 30, 2020**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable</u></b>	<b><u>Estimated Share of Overlapping Debt</u></b>
<b>Debt Repaid with Property Taxes</b>			
Township of Upper	\$ 14,870,000	100.00%	\$ 14,870,000
<b>Other Debt</b>			
County of Cape May	\$ 353,493,970	3.96%	13,997,122
			<hr/>
Subtotal, Overlapping Debt			28,867,122
<b>School District Direct Debt</b>			<hr/>
			-
<b>Total Direct and Overlapping Debt</b>			<hr/> <hr/> <b>\$ 28,867,122</b>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	66,325,461	65,362,088	63,339,605	60,758,885	58,657,989	57,750,454	57,541,713	57,422,660	57,444,142	58,220,831
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	66,325,461	65,362,088	57,824,530	60,758,885	58,657,989	57,750,454	57,541,713	57,422,660	57,444,142	58,220,831
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Equalized valuation basis	
2019	\$ 1,976,278,669
2018	1,934,302,309
2017	1,911,502,115
	<u>\$ 5,822,083,093</u>

Average equalized valuation of taxable property	
	\$ 1,940,694,364

Debt limit ( 3% of average)	
Net bonded school debt	58,220,831
Legal debt margin	<u>\$ 58,220,831</u>

Source: Abstract of Rates and District Records.

**UPPER TOWNSHIP SCHOOL DISTRICT**  
**Demographic and Economic Statistics,**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2011	12,286	569,198	46,329	3.7%
2012	12,286	583,560	47,498	3.9%
2013	12,247	596,355	48,694	4.2%
2014	12,187	637,088	52,276	9.5%
2015	12,113	653,278	53,932	8.0%
2016	12,014	623,671	51,912	7.6%
2017	11,976	638,429	53,309	6.6%
2018	11,893	652,509	54,865	6.4%
2019	11,857	691,548	58,324	5.2%
2020	11,917	725,471	60,877	4.3%

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment

This information is not Available



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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction:										
Regular instruction	93	94	96	99	111	111	115	117	107	111
Special education instruction	46	40	38	42	30	32	32	35	32	37
Support Services:										
Student & instruction related services	24	26	31	37	43	43	41	39	44	44
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	13	12	12	11	11	11	12	11	11	11
Business administrative services	6	7	6	6	6	6	5	5	5	5
Plant operations and maintenance	33	32	25	29	31	31	29	30	34	33
Pupil transportation	2	4	4	8	10	10	8	8	9	8
Child Care	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>221</b>	<b>219</b>	<b>216</b>	<b>236</b>	<b>246</b>	<b>248</b>	<b>246</b>	<b>249</b>	<b>246</b>	<b>253</b>

Source: District Personnel Records

UPPER TOWNSHIP SCHOOL DISTRICT  
Operating Statistics,  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Primary School	Elementary School				
2011	2,161	33,782,335	15,633	1.86%	118	11:1	11:1	1,434	1,352	-3.73%	94.28%
2012	2,149	33,295,755	15,494	-0.89%	117	11:1	11:1	1,407	1,340	-1.88%	95.24%
2013	2,051	34,920,692	17,026	9.89%	114	11:1	11:1	1,404	1,324	-0.21%	94.30%
2014	2,025	32,805,320	16,200	-4.85%	118	12:1	12:1	1,369	1,326	-2.49%	96.86%
2015	2,079	33,772,769	16,245	0.28%	117	12:1	12:1	1,408	1,341	2.85%	95.24%
2016	2,040	36,772,978	18,026	10.97%	120	12:1	12:1	1,423	1,356	1.07%	95.29%
2017	2,018	39,006,476	19,329	7.23%	126	11:1	12:1	1,412	1,336	-0.77%	94.62%
2018	2,003	36,944,936	19,628	1.55%	124	11:1	12:1	1,417	1,346	0.35%	94.99%
2019	2,136	37,848,291	15,885	-19.07%	125	11:1	12:1	1,433	1,358	1.13%	94.77%
2020	2,047	36,847,340	15,885	0.00%	123	12:1	11:1	1,444	1,388	0.77%	96.12%

Source: District records

UPPER TOWNSHIP SCHOOL DISTRICT  
 School Building Information,  
 Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>District Buildings</u></b>										
<b><u>Elementary</u></b>										
Primary School - 1990										
Square Feet	84,825	84,825	84,825	84,825	84,825	84,825	84,825	84,825	84,825	84,825
Capacity (students)	613	613	613	613	613	613	613	613	613	613
Enrollment	456	471	398	464	487	498	498	498	498	498
Elementary School - 1952										
Square Feet	69,607	69,607	69,607	69,607	69,607	69,607	69,607	69,607	69,607	69,607
Capacity (students)	488	488	488	488	488	488	488	488	488	488
Enrollment	386	471	428	423	458	440	440	440	440	440
<b><u>Middle School</u></b>										
Middle School - 1973										
Square Feet	94,264	94,264	94,264	94,264	94,264	94,264	94,264	94,264	94,264	94,264
Capacity (students)	652	652	652	652	652	652	652	652	652	652
Enrollment	518	496	482	478	475	485	485	485	485	485
<b><u>Other</u></b>										
Modular Classrooms (4)										
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-
Capacity (students)	80	80	80	80	80	80	80	-	-	-
Enrollment	74	-	-	-	-	-	-	-	-	-

Number of Schools at June 30, 2020

- Elementary - 2
- Middle - 1
- Other - 0

Source: District Records, ASSA

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

**Undistributed Expenditures - Required Maintenance for School Facilities**

School Facilities	Project # (s)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Primary School	N/A	206,273	356,870	221,526	225,519	319,101	420,199	708,229	130,122	293,108	257,162
Elementary School	N/A	104,114	171,895	414,516	262,457	100,976	136,809	230,586	833,679	232,982	466,212
Middle School	N/A	114,085	115,736	124,429	218,770	316,428	420,199	708,229	201,296	281,311	256,725
<b>Total School Facilities</b>		<b>424,472</b>	<b>644,501</b>	<b>760,471</b>	<b>706,746</b>	<b>736,505</b>	<b>977,207</b>	<b>1,647,044</b>	<b>1,165,097</b>	<b>807,401</b>	<b>980,099</b>
Other Facilities	N/A	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>424,472</b>	<b>644,501</b>	<b>760,471</b>	<b>706,746</b>	<b>736,505</b>	<b>977,207</b>	<b>1,647,044</b>	<b>1,165,097</b>	<b>807,401</b>	<b>980,099</b>

Source: District Records

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

Type of Coverage	Amount of Coverage	Deductible
School Package Policy		
Property - Blanket Buildings & Contents	\$ 175,000,000	\$ 500
Comprehensive General Liability	20,000,000	
Legal Liability	20,000,000	
Commercial Crime	500,000	\$ 500
School Board Legal Liability	20,000,000	
Workers Compensation	Statutory	
Environmental Impairment Liability	3,000,000	\$25,000 / \$100,000

Source: District Records

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# **Single Audit Section**







# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

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

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

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

### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

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

*Michael S. Garcia*  
Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

January 8, 2021



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

[www.ford-scott.com](http://www.ford-scott.com)

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

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

## **Report on Compliance for Each Major Federal and State Program**

We have audited the Township of Upper School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular Uniform Guidance Compliance Supplement* and the New Jersey *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Upper School District's major federal and state programs for the year ended June 30, 2020. The Township of Upper School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal and State Program***

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

## Report on Internal Control Over Compliance

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

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

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

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

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

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

*Michael S. Garcia*  
Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

January 8, 2021

TOWNSHIP OF UPPER SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2020

Federal Grantor/Pass-Through Granor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2019	Carryover/ (W/cover) Amount	Cash Received	Source		Total	Balance at June 30, 2020	
									Pass Through	Direct		(Accounts Receivable)	Deferred Revenue
<b>U.S. Department of Education</b>													
<b>Passed-Through State Department Education:</b>													
General Fund:													
Medical Assistance Program (SEMI)	93.778	1605NU5MAP	N/A	\$ 27,021	7/1/2019	6/30/2020	\$ -	\$ 27,021	\$ (27,021)	\$ -	\$ (27,021)	\$ -	\$ -
Total General Fund				\$ 27,021			\$ -	\$ 27,021	\$ (27,021)	\$ -	\$ (27,021)	\$ -	\$ -
<b>U.S. Department of Education</b>													
<b>Passed-Through State Department Education:</b>													
Special Revenue Fund:													
Title I	84.010	S010A150030	NCLB 18	156,537	7/1/2018	6/30/2019	(36,920)	36,920	(146,393)	-	(146,393)	(51,092)	-
Title I	84.010	S010A150030	NCLB 19	146,393	7/1/2019	6/30/2020		95,301					
Title IIA	84.367A	S010A150029	NCLB 18	36,526	7/1/2018	6/30/2019	(664)	664	(36,679)		(36,679)	(12,314)	
Title IIA	84.367A	S010A150029	NCLB 19	36,679	7/1/2019	6/30/2020		24,365					
Title IV	84.424A	S424A1770031	NCLB 18	10,000	7/1/2018	6/30/2019	(3,100)	3,100	(10,000)		(10,000)	(283)	
Title IV	84.424A	S424A1770031	NCLB 19	10,000	7/1/2019	6/30/2020		9,717					
I.D.E.A. Part B, Basic Regular	84.027	S027A150100	FT-0110	453,215	7/1/2018	6/30/2019	(45,322)	45,322					
I.D.E.A. Part B, Preschool	84.173	S173A150114	FT-0110	16,785	7/1/2018	6/30/2019	(1,679)	1,679					
I.D.E.A. Part B, Basic Regular	84.027	S027A150100	FT-0110	460,173	7/1/2019	6/30/2020		322,119	(460,173)		(460,173)	(138,054)	
I.D.E.A. Part B, Preschool	84.173	S173A150114	FT-0110	17,023	7/1/2019	6/30/2020		6,423	(17,023)		(17,023)	(10,600)	
Total Special Revenue Fund				(87,885)				545,610	(670,268)		(670,268)	(212,343)	-
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education:</b>													
Enterprise Fund:													
National School Lunch Program	10.555	16161NJ304N1099	N/A	83,356	7/1/2019	6/30/2020		102,834	(83,356)		(83,356)		19,478
National School Breakfast Program	10.553	16161NJ304N1099	N/A	16,159	7/1/2019	6/30/2020		26,457	(16,159)		(16,159)		10,298
National School Lunch Program	10.555	16171NJ304N1099	N/A	87,487	7/1/2018	6/30/2019	(5,740)	5,740					
National School Breakfast Program	10.553	16171NJ304N1099	N/A	6,562	7/1/2018	6/30/2019	(421)	421					
Food Distribution Program	10.550	16171NJ304N1099	N/A	35,072	7/1/2019	6/30/2020		35,072	(35,072)		(35,072)		
Total Enterprise Fund				(6,161)				170,524	(134,587)		(134,587)		29,776
Total Federal Financial Awards				\$ (93,846)				\$ 743,155	\$ (831,876)		\$ (831,876)	\$ (212,343)	\$ 29,776

TOWNSHIP OF UPPER SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2019				Balance at June 30, 2020			MEMO		
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable) June 30, 2019	Deferred Revenue/ Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>														
General Fund:														
Special Education Categorical Aid	20-495-034-5120-089	\$ 1,280,868	7/1/2019	6/30/2020	\$ -	\$ -	\$ -	\$ 1,080,243	\$ (1,280,868)	\$ -	\$ -	\$ -	\$ (200,625)	\$ 1,280,868
Equalization Aid	20-495-034-5120-078	4,307,772	7/1/2019	6/30/2020				3,632,362	(4,307,772)				(675,410)	4,307,772
Security Aid	20-495-034-5120-084	179,311	7/1/2019	6/30/2020				151,194	(179,311)				(28,117)	179,311
Adjustment Aid	20-495-034-5120-085	1,548,830	7/1/2019	6/30/2020				1,305,997	(1,548,830)				(242,833)	1,548,830
School Choice Aid	20-495-034-5120-068	452,239	7/1/2019	6/30/2020				381,334	(452,239)				(70,905)	452,239
Categorical Transportation Aid	20-495-034-5120-014	1,445,583	7/1/2019	6/30/2020				1,218,934	(1,445,583)				(226,649)	1,445,583
Extraordinary Aid	20-100-034-5120-473	208,996	7/1/2019	6/30/2020						(208,996)			-	208,996
Extraordinary Aid	19-100-034-5120-473	227,064	7/1/2018	6/30/2019	(227,064)			227,064					-	227,064
Additional Transportation Aid	N/A	13,050	7/1/2018	6/30/2019	(13,050)			13,050					-	13,050
Reimbursed TPAF Social Security Contributions	20-495-034-5095-003	727,973	7/1/2019	6/30/2020				689,673	(727,973)	(38,300)			-	727,973
Reimbursed TPAF Social Security Contributions	19-495-034-5095-003	786,204	7/1/2018	6/30/2019	\$ (38,764)			38,764					-	786,204
On-Behalf Teachers' Pension and Annuity Fund	20-495-034-5094-002	2,214,512	7/1/2019	6/30/2020				2,214,512	(2,214,512)				-	2,214,512
On-Behalf-Teachers' Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-001	821,544	7/1/2019	6/30/2020				821,544	(821,544)				-	821,544
On-Behalf- Teachers' Pension & Annuity Fund - Non-contributory Insurance	20-495-034-5094-004	1,588	7/1/2019	6/30/2020				1,588	(1,588)				-	1,588
<b>Total General Fund</b>					<b>(278,878)</b>	<b>-</b>	<b>-</b>	<b>11,776,259</b>	<b>(13,189,216)</b>	<b>(247,296)</b>	<b>-</b>	<b>-</b>	<b>(1,444,539)</b>	<b>14,215,534</b>
Capital Projects Fund:														
School Facilities Grant Program - Regular Operating Districts (ROD)	5340-055-04-00KI	1,326,493	Open		(465,211)			392,092	-	(73,119)			(73,119)	1,326,493
<b>Total Capital Projects Fund</b>					<b>(465,211)</b>	<b>-</b>	<b>-</b>	<b>392,092</b>	<b>-</b>	<b>(73,119)</b>	<b>-</b>	<b>-</b>	<b>(73,119)</b>	<b>1,326,493</b>
<b>State Department of Agriculture:</b>														
Enterprise Fund:														
National School Lunch Program (State Share)	20-100-010-3360-023	2,489	7/1/2019	6/30/2020				3,700	(2,489)			1,211	-	2,489
National School Lunch Program (State Share)	19-100-010-3360-023	3,217	7/1/2018	6/30/2019	(209)			209					-	3,217
<b>Total Enterprise Fund</b>					<b>(209)</b>	<b>-</b>	<b>-</b>	<b>3,909</b>	<b>(2,489)</b>	<b>-</b>	<b>-</b>	<b>1,211</b>	<b>-</b>	<b>5,706</b>
<b>Total State Financial Assistance</b>					<b>\$ (744,298)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,172,260</b>	<b>\$ (13,191,705)</b>	<b>\$ (320,415)</b>	<b>\$ -</b>	<b>\$ 1,211</b>	<b>\$ (1,517,658)</b>	<b>\$ 15,547,734</b>
									(2,214,512)					
Less: On-Behalf Teachers' Pension and Annuity Fund									(821,544)					
Less: On-Behalf Teachers' Pension and Annuity Fund-Post Retirement									(1,588)					
Less: On-Behalf Teachers' Pension and Annuity Fund-Noncontributory Insurance														
Total for State Financial Assistance-Major Program Determination									<u>\$ (10,154,061)</u>					

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

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Township of Upper School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (D) to the Board's basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003,c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$79,646 for the general fund and \$0 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

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

	General fund	Food service fund	Total
<b>State Assistance:</b>			
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 10,413,446	2,489	10,415,935
Difference – budget to "GAAP"			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	940,801		940,801
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(861,155)		(861,155)
On behalf payments recognized for GAAP purposes but not included on the Schedule of Expenditures of State Financial Assistance	3,037,644		3,037,644
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	\$ 13,530,736	2,489	13,533,225



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

	General Fund	Special Revenue Fund	Food Service Fund	Total
<b>Federal Assistance:</b>				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 27,021	670,268	99,515	796,804
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.				-
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 27,021</u>	<u>670,268</u>	<u>99,515</u>	<u>796,804</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

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

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

**Section I -- Summary of Auditor's Results**

**Financial Statement**

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____	yes <u>  X  </u>	no
• Significant deficiency(ies) identified?	_____	yes <u>  X  </u>	none reported
Noncompliance material to financial statements noted?	_____	yes <u>  X  </u>	no

**Federal Awards**

Internal Control over major programs:			
• Material weakness(es) identified?	_____	yes <u>  X  </u>	no
• Significant deficiency(ies) identified?	_____	yes <u>  X  </u>	none reported

Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____	yes <u>  X  </u>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
_____	_____
_____	_____
_____	_____

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

Auditee qualified as low-risk auditee?	_____	X    yes    _____	no
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**State Awards**

Internal Control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance major programs

\_\_\_\_\_ Unmodified \_\_\_\_\_

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 04-04

\_\_\_\_\_ yes   X   no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
19-495-034-5120-089	Special Education Categorical Aid
19-495-034-5120-078	Equalization Aid
19-495-034-5120-084	Security Aid
19-495-034-5120-085	Adjustment Aid
19-495-034-5120-068	School Choice Aid

Dollar Threshold used to distinguish between type A and type B programs:

\$           750,000          

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   yes \_\_\_\_\_ no

**TOWNSHIP OF UPPER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDING JUNE 30, 2020**

***Part 2 – Schedule of Financial Statement Findings***

**NONE**

***Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs***

**NONE**

**STATUS OF PRIOR YEAR FINDINGS**

**NONE**