

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WATERFORD
SCHOOL DISTRICT
WATERFORD, NEW JERSEY**



Waterford Township
School District

Lighting the path to success, one child at a time.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

TOWNSHIP OF WATEFORD SCHOOL DISTRICT
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INTRODUCTORY SECTION



Waterford Township
School District

Brenda Haring, EdD/CI
Superintendent

Daniel J. Fox, CPA
Assistant Superintendent for Business

Julie C. Lyons
Director of Elementary Education

January 28, 2021

Honorable President and
Members of the Waterford Township Board of Education
1106 Old White Horse Pike
Waterford, New Jersey 08089

Dear Mr. Wilhelm and Board Members:

The comprehensive annual financial report of the Waterford Township School District for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 general purpose 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 U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of New Jersey Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

- 1) **REPORTING ENTITY AND ITS SERVICES:** The Waterford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Waterford Township Board of Education and all its schools, constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels K through 12. These include regular, as well as special education for handicapped children. The
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Lighting the path to success, one child at a time.

District completed the 2019-2020 school year with an average enrollment of 891.8 elementary students. The following details the changes in the elementary student enrollment of the district over the last 10 years.

Average Daily Enrollment – Elementary Students

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	891.8	(2.6%)
2018-2019	915.83	3.6%
2017-2018	806.21	(0.36%)
2016-2017	803.11	(3.42%)
2015-2016	831.57	(5.29%)
2014-2015	878.02	(3.06%)
2013-2014	905.76	(0.56%)
2012-2013	910.9	4.77
2011-2012	869.4	(5.67)%
2010-2011	921.7	-----
		----- (3.2%) -----

- 2) **ECONOMIC CONDITION AND OUTLOOK:** The Waterford Township area is experiencing a period of stability due in part to present economic conditions and a previous moratorium on sewer connections. That moratorium has been lifted as a result of the Township's MUA becoming part of the Camden County Municipal Utility Authority Sewer Network.
- 3) **MAJOR INITIATIVES:** The district has been awarded a significant grant to provide preschool education to 3- and 4-year-old students. This grant has resulted in a significant increase in enrollment starting in 2018-2019 and will result in a grade level realignment.
- 4) **INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is

designed to provide reasonable, but no 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) that 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 the federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

- 5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2020.
- 6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note. 1.
- 7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2020 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2019</u>
Local Sources	\$14,685,812.63	45.73%	\$357,472.40
State Sources	16,840,252.22	52.45	(279,868.34)
Federal Sources	582,244.13	1.82	71,651.77
	<u>\$32,108,308.98</u>	<u>100.0%</u>	<u>\$149,255.83</u>

The overall increase in Local Sources is due to Local Tax Levy and the decrease in State sources is attributed to Equalization Aid.

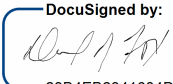
The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2020:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2019</u>
Current Expense:			
Instructional	17,855,219.54	54.99%	814,602.06
Undistributed Expenditures	11,176,335.59	36.75	(212,718.81)
Capital Outlay	357,386.80	1.05	32,263.77
Special Schools	---	---	(47,551.99)
Charter Schools	26,716.00	.03	15,444.00
Special Revenue Fund	2,348,675.90	6.88	216,733.71
Debt Service Fund	24,720.29	1.35	(17,258.91)
	<u>\$31,789,054.12</u>	<u>100.0</u>	<u>\$801,513.83</u>

- 8) **DEBT ADMINISTRATION:** Bonds to refinance the Early Retirement Incentive Program debt from the Lower Camden County Regional High School District, which dissolved, were issued in July 2003 in the amount of \$790,000.00 at 4.48% interest. This represented a significant savings over the interest charged by the State of New Jersey. As of June 30, 2020, the outstanding balance is \$0.00.

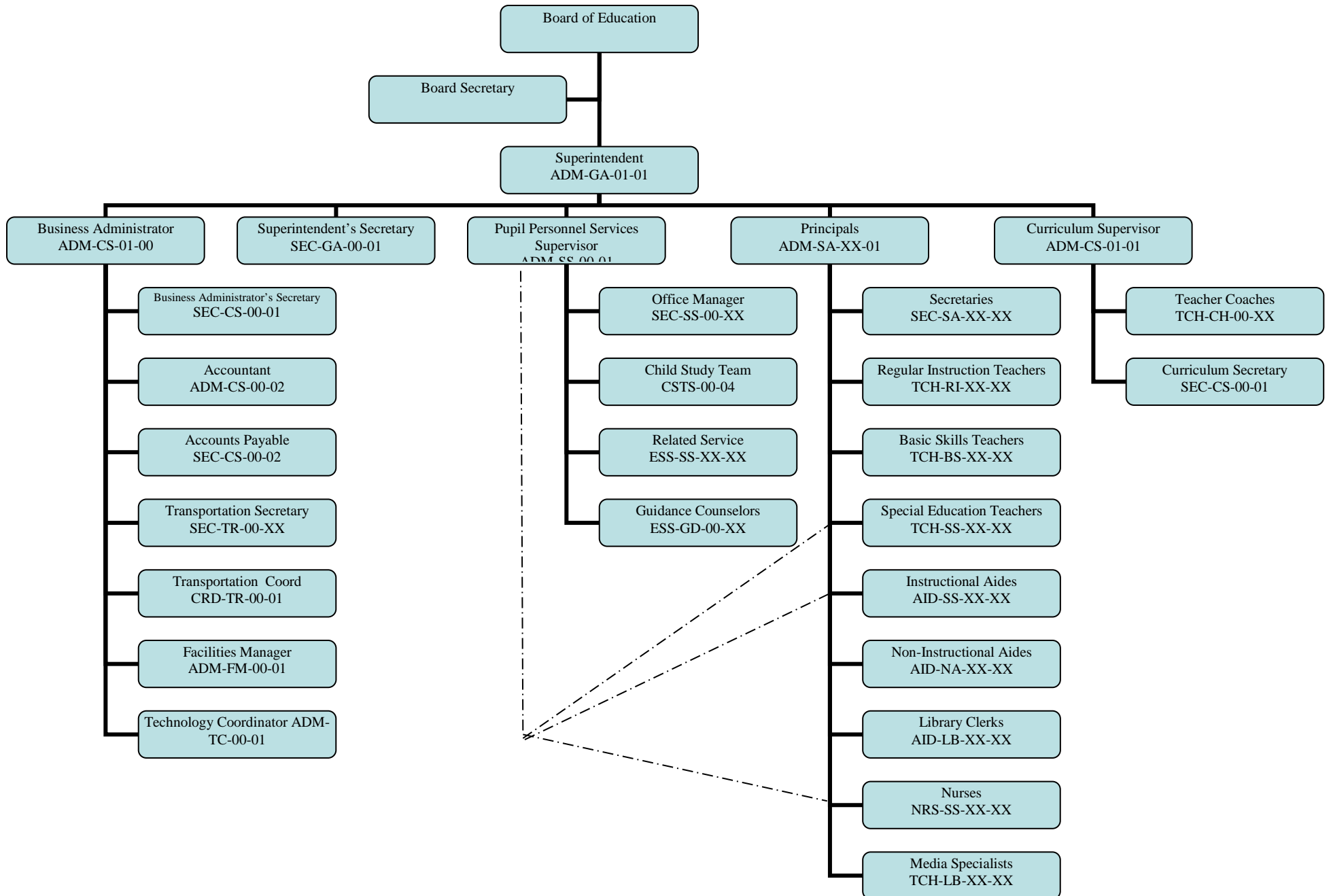
- 9) **CASH MANAGEMENT**: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the 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.
- 10) **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
- 11) **OTHER INFORMATION**:
- A) Independent Audit – State statutes required an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Circular Letter 04-04-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 12) **ACKNOWLEDGMENTS**: We would like to express our appreciation to the members of the Waterford Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial, accounting and clerical staff.

Respectfully submitted,

DocuSigned by:

23B4EB2341684D8...

Daniel J. Fox, CPA

Board Secretary/Business Administrator



**ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
William Wilhelm, President	2022
Michael McClintock, Vice President	2020
Terri Chiddenton	2021
Matthew DeNafo	2020
Benjamin Du Vuyst	2021
Roseanna Hunter	2021
Al Pangia	2022
Michael Vitarelli	2022
Maria Yeatman	2020

OTHER OFFICIALS

Dr. Brenda Harring, Superintendent

Daniel J. Fox, CPA, School Business Administrator/Board Secretary

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

Howard Long, Esq.
1250 Chews Landing Road
Laurel Springs, NJ 08021

Official Depository

Republic Bank
200 Rt. 73
Berlin, New Jersey 08091

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

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 Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed 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 Waterford School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, is also presented for purposes of additional analysis and are is a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021 on our consideration of the Township of Waterford 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Waterford School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Waterford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
January 28, 2021

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with 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 Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Waterford School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Waterford School 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Waterford School 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
January 28, 2021

REQUIRED SUPPLEMENTARY INFORMATION
PART I

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

**Table 1
Net Position**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets		
Cash and Cash Equivalents	\$ 1,324,922	\$ 1,899,572
Receivables, net	1,576,416	2,063,113
Inventory (Note 5)	26,285	14,618
Restricted Assets:		
Restricted Cash and Cash Equivalents	459,359	119,939
Capital Reserve Account - Cash	784,512	526,357
Capital Assets, net (Note 6)	<u>12,222,553</u>	<u>12,484,705</u>
 Total Assets	 <u>16,394,047</u>	 <u>17,108,304</u>
Deferred Outflow of Resources - Related to Pensions	<u>524,495</u>	<u>735,325</u>
Liabilities		
Accounts Payable	796,029	613,420
Accrued Interest Payable	617	9,558
Grant Anticipation Note		1,250,000
Unearned Revenue	318,061	3,396
Noncurrent Liabilities (Note 8):		
Due within One Year	67,531	643,169
Due beyond One Year	<u>2,753,352</u>	<u>3,004,630</u>
 Total Liabilities	 <u>3,935,590</u>	 <u>5,524,172</u>
Deferred Inflow of Resources - Related to Pensions	<u>1,368,377</u>	<u>1,488,571</u>
Net Position		
Net Investments in Capital Assets	12,200,223	11,888,516
Restricted for:		
Debt Service	6,213	513
Capital Projects	784,512	526,357
Other Purposes	724,389	634,885
Unrestricted (Deficit)	<u>(2,100,762)</u>	<u>(2,219,386)</u>
 Total Net Position	 <u>\$ 11,614,575</u>	 <u>\$ 10,830,885</u>

The largest portion of the Township of Waterford School Districts' net position (99%) reflects Net Investment in Capital Assets. The Waterford Township School District will use these assets to replace building systems that have passed their useful life.

The net position of the business-type activities increased by \$41,479.96.

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

Table 2 provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68. For more information refer to Note 10 in the report for details.

Table 2

Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Deferred Outflows Related to Pensions	\$ 524,495	\$ 735,325
Less: Net Pension Liability	(2,487,396)	(2,745,925)
Less: Deferred Inflows Related to Pensions	<u>(1,368,377)</u>	<u>(1,488,571)</u>
	<u>\$ (3,331,278)</u>	<u>\$ (3,499,171)</u>

Table 3

Changes in Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 176,206	\$ 195,043
Operating Grants and Contributions	8,024,806	8,039,515
General Revenues:		
Property Taxes	13,989,807	13,863,415
Federal and State Aid	12,793,392	12,950,058
Tuition	13,801	21,249
Unrestricted Miscellaneous Revenues	<u>662,146</u>	<u>404,155</u>
Total Revenues	<u>35,660,158</u>	<u>35,473,435</u>
Program Expenses:		
Governmental Activities:		
Instruction	8,850,209	8,314,331
Support Services	<u>25,745,817</u>	<u>25,317,930</u>
Total Expenses, Governmental Activities	<u>34,596,026</u>	<u>33,632,261</u>
Business-Type Activities:		
Food Service	<u>280,442</u>	<u>298,866</u>
Total Expenses, Business-Type Activities	<u>280,442</u>	<u>298,866</u>
Total Expenses	<u>34,876,468</u>	<u>33,931,127</u>
Change in Net Position	783,690	1,542,308
Net Position, July 1	<u>10,830,885</u>	<u>9,288,577</u>
Ending Net Position	<u>\$ 11,614,575</u>	<u>\$ 10,830,885</u>

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

Governmental Activities

State and Federal Aid and the Local Tax Levy comprise 98% of the total revenues for government activities for the fiscal year 2020.

Instruction costs comprises 25.58% of the District's governmental expenses, while support service and other expenses, including tuition costs, comprise approximately 74.42% of the Government Expense.

The Statement of Activities shows the costs of the Governmental Activities' program services and the charges for services and grants offsetting those services. Table 4 shows the total cost of services and the net cost of services for fiscal year 2020. That is, it identifies the cost of these services supported by general revenues

Table 4

	Total Cost of services	Net Cost of services
Instruction	\$ 8,850,209	\$ 7,750,398
Support services:		
Tuition	10,445,144	10,371,554
Student and Instruction Related Service	2,707,587	2,529,049
School Administrative Services	1,786,986	1,344,371
Plant Operation and Maintenance	2,469,698	2,468,689
Pupil Transportation	2,149,415	1,954,306
Unallocated Benefits	630,540	263,598
Reimbursed TPAF and Social Security	5,526,927	
Special Schools		
Transfer to Charter School	26,716	26,716
Interest on Long Term Debt	2,804	2,804
Total Government Activities	\$ 34,596,026	\$ 26,711,485

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Tuition expenses include the cost to the School District to send pupils living within the District to private schools and students in grades 7-12 to Hammonton Middle/High Schools.

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and Business and Other Support Services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administrative services.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in an effective working condition.

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

Governmental Activities (Cont'd)

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health, dental, prescription and other employee benefits.

Reimbursed TPAF and Social Security costs are the amounts for the on-behalf payments made by the State of New Jersey for staff members included in the Teacher's Pension and Annuity Fund.

The dependence upon property taxes, federal and state aid is apparent. The local community, federal government and state, are the primary support for the Waterford Township School District.

Governmental Activities Revenues increase primarily due to the implementation of GASB 75. The Governmental Expenditures also increased due to an increase in unallocated benefits and TPAF & Social Security expenses.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$32,108,308.98 (Exhibit B-2), expenditures of \$31,789,054.12. The net change in fund balance was significant in the General Fund which had an increase of \$309,360.68.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law. Most of the funds are appropriated in the General Fund.

During the course of the 2020 fiscal year, the School District modified its General Fund budget as allowed by New Jersey School law. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances.

For the General Fund, the final budget basis revenue estimate was \$26,931,172, with actual revenues in the amount of \$29,440,742.74, resulting in a positive variance of \$2,509,570.74. The positive variance occurred mainly because of the TPAF On-behalf and Social Security payments by the State of New Jersey.

The General Fund final budget basis expenditure appropriation estimate was \$28,712,910.49 compared with the original estimate of \$28,600,732.49. Actual General Fund basis expenditures were \$29,415,657.93.

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

Capital Assets

At the end of the fiscal year, the School District had \$12,222,553.25 invested in land, land improvements, buildings and improvements and equipment combined for governmental activities and business-type activities.

Table 4 shows a summary of the district's fiscal 2020 balances:

**Table 5
Capital Assets (Net of Depreciation)**

Government Activities:	
Land	\$ 365,290
Land Improvements	452,900
Building and Improvements	10,892,273
Equipment	458,553
Totals	\$ 12,169,016
 Business-Type Activities:	
Equipment	\$ 53,538

Overall capital assets decreased \$262,152.03 from fiscal year 2019 to fiscal year 2020. This increase was primarily as a result of a depreciation.

Debt Administration

At the end of the current fiscal year, the Township of Waterford School District had no outstanding.

The outstanding balance for all long-term liabilities at June 30, 2020 is \$2,820,883.04 (Note 8).

Economic Factors and Next Year's Budget

For the 2019-20 school year, the School District was not able to stay within the State of New Jersey's cap on the increase in taxes levied of 2%. The district continues to look for opportunities for cost containment including shared services. One of the most important factors affecting the budget is enrollment. The district has enacted new procedures to minimize the number of ineligible students.

Contacting the School District's Financial Management

The School District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Waterford Township School Business Administrator/Board Secretary at 1106 Old White Horse Pike, Waterford, New Jersey 08089.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,300,932.74	\$ 23,989.01	\$ 1,324,921.75
Receivables, net	1,543,952.84	32,463.43	1,576,416.27
Internal Balance	22,000.00	(22,000.00)	
Inventory (Note 5)		26,284.64	26,284.64
Restricted Assets:			
Restricted Cash and Cash Equivalents	459,359.14		459,359.14
Capital Reserve Account - Cash	784,512.33		784,512.33
Capital Assets, net (Note 6)	<u>12,169,015.59</u>	<u>53,537.66</u>	<u>12,222,553.25</u>
Total Assets	<u>16,279,772.64</u>	<u>114,274.74</u>	<u>16,394,047.38</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>524,495.00</u>		<u>524,495.00</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	191,204.00		191,204.00
Other	599,616.83	5,208.19	604,825.02
Accrued Interest Payable	617.39		617.39
Unearned Revenue	310,248.73	7,812.00	318,060.73
Noncurrent Liabilities (Note 8):			
Due within One Year	67,530.76		67,530.76
Due beyond One Year	<u>2,753,352.28</u>		<u>2,753,352.28</u>
Total Liabilities	<u>3,922,569.99</u>	<u>13,020.19</u>	<u>3,935,590.18</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>1,368,377.00</u>		<u>1,368,377.00</u>
NET POSITION:			
Net Investments in Capital Assets	12,146,685.24	53,537.66	12,200,222.90
Restricted for:			
Debt Service	6,212.73		6,212.73
Capital Projects	784,512.33		784,512.33
Other Purposes	724,389.27		724,389.27
Unrestricted (Deficit)	<u>(2,148,478.92)</u>	<u>47,716.89</u>	<u>(2,100,762.03)</u>
Total Net Position	<u>\$ 11,513,320.65</u>	<u>\$ 101,254.55</u>	<u>\$ 11,614,575.20</u>

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

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

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 5,820,485.09		\$ 1,099,811.35		\$ (4,720,673.74)		\$ (4,720,673.74)
Special Education	1,911,250.10				(1,911,250.10)		(1,911,250.10)
Other Special Instruction	1,086,613.76				(1,086,613.76)		(1,086,613.76)
School Sponsored Cocurricular Activities	2,742.29				(2,742.29)		(2,742.29)
Summer School	29,117.95				(29,117.95)		(29,117.95)
Support Services:							
Tuition	10,445,144.01	\$ 73,589.88			(10,371,554.13)		(10,371,554.13)
Student and Instruction Related Services	2,707,586.61		178,537.72		(2,529,048.89)		(2,529,048.89)
School Administrative Services	1,786,986.14		442,614.74		(1,344,371.40)		(1,344,371.40)
Plant Operations and Maintenance	2,469,698.04		1,009.11		(2,468,688.93)		(2,468,688.93)
Pupil Transportation	2,149,415.43		195,109.10		(1,954,306.33)		(1,954,306.33)
Unallocated Benefits	630,540.22		366,942.55		(263,597.67)		(263,597.67)
TPAF and Social Security	5,526,926.62		5,526,926.62				
Transfer to Charter School	26,716.00				(26,716.00)		(26,716.00)
Interest on Long-Term Debt	2,803.88				(2,803.88)		(2,803.88)
Total Governmental Activities	34,596,026.14	73,589.88	7,810,951.19		(26,711,485.07)		(26,711,485.07)
Business-Type Activities:							
Food Service	280,441.81	102,616.26	213,854.71			\$ 36,029.16	36,029.16
Total Business-Type Activities	280,441.81	102,616.26	213,854.71			36,029.16	36,029.16
Total Government	\$ 34,876,467.95	\$ 176,206.14	\$ 8,024,805.90	\$ -	(26,711,485.07)	36,029.16	(26,675,455.91)
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, net					13,959,387.00		13,959,387.00
Property Taxes, Levied for Debt Service, net					30,420.00		30,420.00
Federal and State Aid not Restricted					12,793,391.64		12,793,391.64
Tuition Received					13,801.37		13,801.37
Miscellaneous Income					662,145.78		662,145.78
Transfers					(5,450.80)	5,450.80	
Total General Revenues and Transfers					27,453,694.99	5,450.80	27,459,145.79
Change in Net Position					742,209.92	41,479.96	783,689.88
Net Position -- July 1					10,771,110.73	59,774.59	10,830,885.32
Net Position -- June 30					\$ 11,513,320.65	\$ 101,254.55	\$ 11,614,575.20

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

FUND FINANCIAL STATEMENTS

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 1,293,789.49	\$ 453,146.41		\$ 6,212.73	\$ 1,753,148.63
Capital Reserve Account - Cash	784,512.33				784,512.33
Receivables, net:					
Interfunds Receivable:					
Capital Projects Fund	932,954.80				932,954.80
Enterprise Funds	22,000.00				22,000.00
Fiduciary Funds	7,450.46				7,450.46
Internal Service Fund	67,528.94				67,528.94
Receivables from Other Governments:					
State of New Jersey	374,776.34		\$ 932,954.80		1,307,731.14
Federal Government		79,049.46			79,049.46
Other -- Tuition	5,079.93				5,079.93
Miscellaneous Other Receivables	6,635.00	10,092.22			16,727.22
Total Assets	\$ 3,494,727.29	\$ 542,288.09	\$ 932,954.80	\$ 6,212.73	\$ 4,976,182.91
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 468,939.50	\$ 63,148.39			\$ 532,087.89
Interfunds Payable:					
General Fund			\$ 932,954.80		932,954.80
Unearned Revenue		310,248.73			310,248.73
Total Liabilities	468,939.50	373,397.12	932,954.80		1,775,291.42

(Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	\$ 784,512.33				\$ 784,512.33
Excess Surplus -- Designated for Subsequent Year's Expenditures	555,498.30				555,498.30
Special Revenue Fund		\$ 168,890.97			168,890.97
Debt Service Fund				\$ 6,212.73	6,212.73
Assigned:					
Other Purposes	17,870.88				17,870.88
Designated for Subsequent Year's Expenditures	1,209,071.70				1,209,071.70
Unassigned:					
General Fund	458,834.58				458,834.58
Total Fund Balances	<u>3,025,787.79</u>	<u>168,890.97</u>		<u>6,212.73</u>	3,200,891.49
Total Liabilities and Fund Balances	<u>\$ 3,494,727.29</u>	<u>\$ 542,288.09</u>	<u>\$ 932,954.80</u>	<u>\$ 6,212.73</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,835,951.67, and the accumulated depreciation is \$10,666,936.08.					12,169,015.59
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.					(617.39)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(333,487.04)
Net Pension Liability					(2,487,396.00)
Accounts Payable related to the April 1, 2021 Required PERS pension contribution that is not to be liquidated with current financial resources.					(191,204.00)
Deferred Outflows of Resources - Related to Pensions					524,495.00
Deferred Inflows of Resources - Related to Pensions					(1,368,377.00)
Net position of governmental activities					<u>\$ 11,513,320.65</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Source - Tax Levy	\$ 13,959,387.00			\$ 30,420.00	\$ 13,989,807.00
Tuition Charges	13,801.37				13,801.37
Miscellaneous	366,072.11	\$ 20,058.48	\$ 296,073.67		682,204.26
State Sources	15,104,215.95	1,736,036.27			16,840,252.22
Federal Sources	54,314.31	527,929.82			582,244.13
Total Revenues	29,497,790.74	2,284,024.57	296,073.67	30,420.00	32,108,308.98
EXPENDITURES:					
Current:					
Regular Instruction	4,453,941.31	1,164,462.68			5,618,403.99
Special Education Instruction	1,911,250.10				1,911,250.10
Other Special Instruction	1,086,613.76				1,086,613.76
School Sponsored Cocurricular Activities	2,742.29				2,742.29
Summer School	29,117.95				29,117.95
Undistributed Expenditures:					
Tuition	10,371,554.13				10,371,554.13
Student and Instruction Related Services	3,071,429.03	178,537.72			3,249,966.75
School Administrative Services	1,453,304.25	434,934.74			1,888,238.99
Plant Operations and Maintenance	2,072,407.79	1,009.11			2,073,416.90
Pupil Transportation	1,954,306.33	195,109.10			2,149,415.43
Unallocated Benefits	259,749.57	366,942.55			626,692.12
Reimbursed TPAF Pension and Social Security	2,365,138.62				2,365,138.62
Debt Service:					
Interest on Early Retirement Bonds				541.60	541.60
Redemption of Principal - Early Retirement Bonds				24,178.69	24,178.69
Capital Outlay	357,386.80	7,680.00			365,066.80
Transfer to Charter Schools	26,716.00				26,716.00
Total Expenditures	29,415,657.93	2,348,675.90	296,073.67	24,720.29	31,789,054.12

(Continued)

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues over Expenditures	\$ 82,132.81	\$ (64,651.33)	\$ 296,073.67	\$ 5,699.71	\$ 319,254.86
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Out):					
Transfer to Special Revenue Fund - Preschool Program - Regular	(63,395.00)	63,395.00			
Transfer to Enterprise Fund - Food Services	(5,450.80)				(5,450.80)
Transfer to Capital Reserve	(247,108.00)				(247,108.00)
Increase in Capital Reserve	247,108.00				247,108.00
Interest Deposited Into Capital Reserve	11,047.55				11,047.55
Interest Transfer to Capital Reserve	(11,047.55)				(11,047.55)
Transfer General Fund/Capital Projects Fund	296,073.67		(296,073.67)		
Total Other Financing Sources and Uses	227,227.87	63,395.00	(296,073.67)		(5,450.80)
Net Change in Fund Balances	309,360.68	(1,256.33)		5,699.71	313,804.06
Fund Balance -- July 1	2,716,427.11	170,147.30		513.02	2,887,087.43
Fund Balance -- June 30	\$ 3,025,787.79	\$ 168,890.97	\$ -	\$ 6,212.73	\$ 3,200,891.49

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

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

Total Net Change in Fund Balances - Governmental Funds	\$	313,804.06
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:</p>		
Depreciation Expense	\$	(624,958.49)
Capital Outlays		<u>365,066.80</u>
		(259,891.69)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		592,536.87
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		30,000.00
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		8,940.78
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(54,150.10)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>110,970.00</u>
Change in Net Position of Governmental Activities	\$	<u><u>742,209.92</u></u>

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

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

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Service Fund</u>
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 23,989.01	\$ 7,143.25
Accounts Receivable:		
State	7,385.40	3,290.40
Federal	18,965.52	
Other	6,112.51	57,095.29
Inventory	26,284.64	
Total Current Assets	82,737.08	67,528.94
Noncurrent Assets:		
Equipment	210,276.28	
Less Accumulated Depreciation	(156,738.62)	
Total Noncurrent Assets	53,537.66	
Total Assets	136,274.74	67,528.94
LIABILITIES:		
Current Liabilities:		
Interfund Payable:		
General Fund	22,000.00	67,528.94
Unearned Revenue	7,812.00	
Accounts Payable	5,208.19	
Total Current Liabilities	35,020.19	67,528.94
NET POSITION:		
Net Investment in Capital Assets	53,537.66	
Unrestricted	47,716.89	
Total Net Position	\$ 101,254.55	\$ -

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

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

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Fund</u>
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Breakfast Program	\$ 5,329.93	
School Lunch Program	67,245.89	
Daily Sales Non-Reimbursable Programs	26,264.55	
Special Functions	3,775.89	
Services Provided to Other Boards of Education		\$ 73,589.88
	<u>102,616.26</u>	<u>73,589.88</u>
Total Operating Revenue		<u>73,589.88</u>
OPERATING EXPENSES:		
Salaries	96,083.28	
Employee Benefits	17,508.90	
Purchased Professional and Technical Services	32,030.04	
Other Purchased Services (400 and 500 Series)	4,115.84	
Tuition		73,589.88
Cost of Goods Sold -- Non-Reimbursable	8,828.58	
Cost of Goods Sold -- Reimbursable	101,142.66	
Supplies and Materials	9,552.99	
Depreciation	7,399.04	
Other Objects	3,780.48	
	<u>280,441.81</u>	<u>73,589.88</u>
Total Operating Expenses		<u>73,589.88</u>
Operating Income (Loss)	<u>(177,825.55)</u>	
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	10,075.80	
Federal Sources:		
National School Lunch Program	121,116.32	
School Breakfast Program	51,796.52	
Food Distribution Program	30,866.07	
	<u>213,854.71</u>	
Total Nonoperating Revenues (Expenses)		
Income (Loss) before Contributions and Transfers	<u>36,029.16</u>	
Contributions and Transfers:		
Transfer of Expenditures paid by Current Fund	5,450.80	
	<u>5,450.80</u>	
Total Contributions and Transfers		
Change in Net Position	41,479.96	
Net Position - July 1	<u>59,774.59</u>	
Net Position - June 30	<u>\$ 101,254.55</u>	<u>\$ -</u>

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

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

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	<u>Food Service</u>	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 105,143.20	\$ 36,141.82
Payments to Employees	(96,083.28)	
Payments for Employee Benefits	(17,508.90)	
Payments to Suppliers	(135,043.02)	(28,998.53)
Net Cash Provided by (used for) Operating Activities	(143,492.00)	7,143.29
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State Sources	2,886.38	
Federal Sources	163,168.37	
Operating Subsidies and Transfers to Other Funds	312.10	
Net Cash Provided by (used for) Non-Capital Financing Activities	166,366.85	
Net Increase (Decrease) in Cash and Cash Equivalents	22,874.85	7,143.29
Cash and Cash Equivalents, July 1	1,114.16	
Cash and Cash Equivalents, June 30	\$ 23,989.01	\$ 7,143.29
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)		
by Operating Activities:		
Operating Income (Loss)	\$ (177,825.55)	
Adjustments to Reconcile Operating Income (Loss)		
to Cash Provided (Used) by Operating Activities:		
Depreciation and Net Amortization	7,399.04	
Food Distribution Program	30,866.07	
Change in Assets and Liabilities:		
(Increase) / Decrease in Accounts Receivable	(3,667.50)	\$ (37,448.06)
(Increase) / Decrease in Inventory	(11,666.69)	
Increase / (Decrease) in Unearned Revenue	6,194.44	
Increase / (Decrease) in Accounts Payable	5,208.19	44,591.35
Total Adjustments	34,333.55	7,143.29
Net Cash Provided (Used) in Operating Activities	\$ (143,492.00)	\$ 7,143.29

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

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

	Private-Purpose Trust Fund	Agency Funds	
	Unemployment Compensation Trust	Student Activity	Payroll
ASSETS:			
Cash and Cash Equivalents	\$ 22,071.25	\$ 6,290.82	\$ 168,571.74
Intrafund Accounts Receivable:			
Payroll	6,480.77		
Interfund Accounts Receivable:			
General Fund		370.93	
Accounts Receivable -- Other			400.00
Total Assets	<u>28,552.02</u>	<u>\$ 6,661.75</u>	<u>\$ 168,971.74</u>
LIABILITIES:			
Payroll Deductions and Withholdings			\$ 154,669.58
Intrafund Accounts Payable:			
Unemployment Trust			6,480.77
Interfund Payable:			
General Fund			7,821.39
Intergovernmental Accounts Payable:			
State	2,285.67		
Payable to Student Groups		\$ 6,661.75	
Total Liabilities	<u>2,285.67</u>	<u>\$ 6,661.75</u>	<u>\$ 168,971.74</u>
NET POSITION:			
Held in Trust for Unemployment Claims and Other Purposes	<u>26,266.35</u>		
Total Net Position	<u>\$ 26,266.35</u>		

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

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

	<u>Private-Purpose Trust Fund</u>
	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Investment earnings:	
Interest	\$ 142.52
Payroll Deductions	<u>18,346.89</u>
Total Additions	<u>18,489.41</u>
DEDUCTIONS:	
Unemployment Claims	<u>12,286.12</u>
Change in Net Position	6,203.29
Net Position -- July 1	<u>20,063.06</u>
Net Position -- June 30	<u>\$ 26,266.35</u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Township of Waterford School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. Students in grades K through 6 are educated at the School District's three schools. Students in grades 7 through 12 attend, on a tuition basis, Hammonton Middle/High Schools. The School District has an approximate enrollment at June 30, 2020 of 878.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements (Cont'd)**

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

General Fund (Cont'd) - Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The School District maintains one internal service funds, for tuition.

Additionally, the School District reports the following fund types.

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

Private-Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

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

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

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 one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)****Budgets / Budgetary Control (Cont'd)**

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. 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 amount of their deposits to the governmental units.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2020. The School District had no prepaid expenses for the fiscal year ended June 30, 2020.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable or accounts payable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Improvements	5-50 Years
Equipment	5-20 Years

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans and postemployment benefit plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2020 and 2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2020, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements:**

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2020:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impact of Recently Issued Accounting Principles (Cont'd)

Recently Issued Accounting Pronouncements (Cont'd)

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2020 (cont'd):

Statement No. 84, *Fiduciary Activities (Cont'd)*. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2020, the School District's bank balances of \$1,711,584.93 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 1,711,584.93
Uninsured and Uncollateralized	_____
Total	\$ 1,711,584.93

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2020, the School District's deposits with the New Jersey Cash Management Fund were \$1,614,278.74.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$84,228.00 in the fiscal year 1996-1997 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2019	\$ 526,356.78
Increased by:	
Interest Earnings	\$ 11,047.55
Deposits:	
Appropriated in FY 2020 General Fund Budget	<u>247,108.00</u>
	<u>258,155.55</u>
Ending Balance, June 30, 2020	<u>\$ 784,512.33</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted projects at June 30, 2020 is \$6,268,822.00. There were no withdrawals from the capital reserve.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Note 4: ACCOUNTS RECEIVABLE (CONT'D)

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>
Federal Awards		\$ 79,049.46		\$ 79,049.46
State Awards	\$ 374,776.34		\$ 932,954.80	1,307,731.14
Local Awards		10,092.22		10,092.22
Tuition Charges	5,079.93			5,079.93
Fiduciary Fund	7,450.46			7,450.46
Provided Services	74,163.94			74,163.94
Total	\$ 461,470.67	\$ 89,141.68	\$ 932,954.80	\$ 1,483,567.15

<u>Description</u>	<u>Proprietary Funds</u>			
	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	<u>Internal Service Fund</u>	<u>Total All Funds</u>
Federal Awards	\$ 18,965.52	\$ 18,965.52		\$ 98,014.98
State Awards	7,385.40	7,385.40	\$ 3,290.40	1,318,406.94
Local Awards				10,092.22
Tuition Charges				5,079.93
Fiduciary Fund				7,450.46
Provided Services	6,112.51	6,112.51	57,095.29	137,371.74
Total	\$ 32,463.43	\$ 32,463.43	\$ 60,385.69	\$ 1,576,416.27

Note 5: INVENTORY

Inventory recorded at June 30, 2020 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 22,385.65
Supplies	<u>3,898.99</u>
	<u>\$ 26,284.64</u>

Note 6: CAPITAL ASSETS

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

	Balance July 1, 2019	Additions	Transfers	Retirements	Balance June 30, 2020
Government Activities:					
Capital Assets that are not being Depreciated:					
Land	\$ 365,290.00				\$ 365,290.00
Construction In Progress	232,497.30		\$ (232,497.30)		
Total Capital Assets not being Depreciated	597,787.30		(232,497.30)		365,290.00
Land Improvements	721,736.45	\$ 88,106.07	232,497.30	\$ 3,742.50	1,038,597.32
Building and Improvements	20,026,200.57	159,055.48			20,185,256.05
Equipment	1,128,903.05	117,905.25			1,246,808.30
Total Capital Assets being Depreciated	21,876,840.07	365,066.80	232,497.30	3,742.50	22,470,661.67
Less: Accumulated Depreciation for:					
Land Improvements	(568,279.65)	(17,417.99)			(585,697.64)
Building and Improvements	(8,743,573.04)	(553,152.62)		(3,742.50)	(9,292,983.16)
Equipment	(733,867.40)	(54,387.88)			(788,255.28)
Total Accumulated Depreciation	(10,045,720.09)	(624,958.49) *		(3,742.50)	(10,666,936.08)
Total Capital Assets being Depreciated, net of Accumulated Depreciation	11,831,119.98	(259,891.69)			11,803,725.59
Government Activities Capital Assets, net	\$ 12,428,907.28	\$ (259,891.69)	\$ -	\$ -	\$ 12,169,015.59
Business-Type Activities:					
Equipment	\$ 210,990.58	\$ 5,138.70		\$ 5,853.00	\$ 210,276.28
Less: Accumulated Depreciation	(155,192.58)	(7,399.04) *		(5,853.00)	(156,738.62)
Business-Type Activities Capital Assets, net	\$ 55,798.00	\$ (2,260.34)	\$ -	\$ -	\$ 53,537.66

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:

Regular Instruction	\$ 200,018.60
Support Services Students/Staff	16,849.29
Support Services School Adm.	606.40
Support Services Plant Operations/Maintenance	407,484.20

Total Depreciation Expense - Governmental Activities \$ 624,958.49

Business-Type Activities:

Food Service	\$ 7,399.04
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Note 7: SHORT-TERM OBLIGATIONS

Grant Anticipation Note - Pursuant to N.J.S.A. 18A:22-44.1 and in anticipation of the receipt of a grant from the New Jersey Schools Development Authority, the School District issued a Grant Anticipation Note on September 16, 2015 in the amount of \$1,250,000.00, at an annual interest rate of .087% maturing on September 15, 2016. The proceeds of the note were applied only to purposes of the School District's school facilities project for which the grant was awarded. This note was renewed on September 15, 2016, at an annual interest rate of 2.0% maturing on September 15, 2017, again on September 14, at an annual interest rate of 1.34% maturing on September 14, 2018. On September 13, 2018 the note was once again renewed at an annual interest rate of 2.875% maturing on September 13, 2019. On September 13, 2019 the School District paid this grant anticipation note in full.

The following represents short-term debt activity for the fiscal year ended June 30, 2020:

<u>Description</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Grant Anticipation Note	\$ 1,250,000.00	\$ -	\$ (1,250,000.00)	\$ -

Note 8: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 30,000.00		\$ (30,000.00)		
Total Bonds Payable	30,000.00		(30,000.00)		
Other Liabilities:					
Obligations under Capital Lease	614,867.22		(592,536.87)	\$ 22,330.35	\$ 22,330.35
Compensated Absences	257,006.59	\$ 68,754.68	(14,604.58)	311,156.69	45,200.41
Net Pension Liability	2,745,925.00	1,845,173.00	(2,103,702.00)	2,487,396.00	
Total Other Liabilities	3,617,798.81	1,913,927.68	(2,710,843.45)	2,820,883.04	67,530.76
Governmental Activities Long-Term Liabilities	\$ 3,647,798.81	\$ 1,913,927.68	\$ (2,740,843.45)	\$ 2,820,883.04	\$ 67,530.76

The bonds payable are generally liquidated by the debt service fund, while the obligations under capital leases, compensated absences, and net pension liability are liquidated by the general fund.

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

On July 29, 2003, the School District issued \$790,000.00 taxable refunding bonds at interest rates of 4.48% for the retirement of unfunded liabilities of the School District in the Teacher's Pension and Annuity Fund and Public Employees Retirement System under early retirement incentive programs. The final maturity of these bonds is October 1, 2019. The bonds will be paid from property taxes. The final payment of \$24,178.69 and \$541.60 for principle and interest were made on September 24, 2019.

Note 8: LONG-TERM LIABILITIES (Cont'd)

Bonds Authorized but not Issued - As of June 30, 2020, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District entered into a lease agreement for \$2,678,551.00 where the proceeds were used to supplement the School District's local share of a capital project partially funded by a Regular Operating District Grant from the New Jersey Economic Development Authority. On April 15, 2017, the School District entered into a 3 year capital lease agreement for "Go Math" instructional material totaling \$54,928.12 and a 4 year capital lease agreement for LED Lighting totaling \$85,788.18. During the 2020 school year the School District made their final capital lease payments on the School District's local share of the capital project as well as their "Go Math" capital lease.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020.

Fiscal Year			
<u>Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 22,330.35	\$ 931.18	\$ 23,261.53
Total	<u>\$ 22,330.35</u>	<u>\$ 931.18</u>	<u>\$ 23,261.53</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS Board of Trustees is primarily responsible for the administration of the Plan.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions**

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 21.62% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2020 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2020 was \$1,320,067.00, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$462,837.92.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 14.76% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2019, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2020 was \$134,279.00, and was paid by April 1, 2020. School District employee contributions to the Plan during the fiscal year ended June 30, 2020 were \$100,526.79.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program (Cont'd) - For the fiscal year ended June 30, 2020, employee contributions totaled \$37,643.83, and the School District recognized pension expense, which equaled the required contributions, of \$44,908.44. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2020, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>40,292,472.00</u>
	<u>\$ 40,292,472.00</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. For the June 30, 2019 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2019 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .0656539885%, which was a decrease of (.0011460118%) from its proportion measured as of June 30, 2018.

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized \$2,376,558.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2019 measurement date.

Public Employees' Retirement System

Pension Liability - At June 30, 2020, the School District reported a liability of \$2,487,396.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2019 measurement date, the School District's proportion was .0138046931%, which was a decrease of (.0001414433%) from its proportion measured as of June 30, 2018.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Pension Expense - For the fiscal year ended June 30, 2020, the School District recognized pension expense of \$26,270.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2019 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 44,646.00	\$ 10,988.00
Changes of Assumptions	248,376.00	863,367.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	39,265.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	40,269.00	454,757.00
School District Contributions Subsequent to the Measurement Date	191,204.00	-
	<u>\$ 524,495.00</u>	<u>\$ 1,368,377.00</u>

Deferred outflows of resources in the amount of \$191,204.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2021	\$ (176,674.00)
2022	(373,629.00)
2023	(319,049.00)
2024	(154,412.00)
2025	(11,322.00)
	<u>\$ (1,035,086.00)</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2019 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2018. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2019. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
	Based on Yrs. of Service	Based on Yrs. of Service
Thereafter	2.75% - 5.65%	3.00% - 7.00%
	Based on Yrs. of Service	Based on Yrs. of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

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

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

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2019 measurement date) 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.

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2019 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - 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 the June 30, 2019 measurement date 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 would be based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Public Employees' Retirement System - 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 the June 30, 2019 measurement date 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 would 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 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.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2019, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2019 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.60% as well as what the State's 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:

	TPAF		
	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	47,513,743.00	40,292,472.00	34,301,098.00
	<u>\$ 47,513,743.00</u>	<u>\$ 40,292,472.00</u>	<u>\$ 34,301,098.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2019, the Plan's measurement date, calculated using a discount rate of 6.28%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
School District's Proportionate Share of the Net Pension Liability	\$ 3,163,844.00	\$ 2,487,396.00	\$ 1,949,279.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF and PERS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Employees Covered by Benefit Terms - At June 30, 2019, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,943</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020 was \$33,461,928.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. For the June 30, 2019 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .0801885092%, which was a decrease of (.0044552729%) from its proportion measured as of June 30, 2018.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Through 2026	1.55 - 3.05%	2.00 - 6.00%	3.25 - 15.25%
Thereafter	1.55 - 3.05%	3.00 - 7.00%	3.25 - 15.25%

Based on years of service

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2019		\$ 39,029,953.00
Changes for the Year:		
Service Cost	\$ 1,111,876.00	
Interest Cost	1,534,385.00	
Difference Between Expected and Actual Experience	(7,716,474.00)	
Changes in Assumptions	498,920.00	
Gross Benefit Payments	(1,027,181.00)	
Member Contributions	<u>30,449.00</u>	
Net Changes		<u>(5,568,025.00)</u>
Balance at June 30, 2020		<u>\$ 33,461,928.00</u>

There were no changes in benefit terms between the June 30, 2018 measurement date and the June 30, 2019 measurement date.

Differences between expected and actual experience reflect a decrease in liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims, and premiums experience.

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

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a discount rate of 3.50%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 39,531,760.00</u>	<u>\$ 33,461,928.00</u>	<u>\$ 28,640,386.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2019, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 27,571,137.00	\$ 33,461,928.00	\$ 41,260,125.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2020, the School District recognized \$189,865.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2019 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2020, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ -	\$ 2,794,994.00
Difference Between Expected and Actual Experience	-	8,407,737.00
Changes of Assumptions	-	6,801,212.00
	<u>\$ -</u>	<u>\$ 18,003,943.00</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2021	\$ (2,387,686.00)
2022	(2,387,686.00)
2023	(2,387,686.00)
2024	(2,387,686.00)
2025	(2,387,686.00)
Thereafter	<u>(6,065,513.00)</u>
	<u>\$ (18,003,943.00)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2020, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,309,512.00, \$23,472.00, \$494,513.00, and \$1,396.00, respectively.

Note 12: RISK MANAGEMENT

The School 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.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

Fiscal Year Ended June 30,	School District Contributions	Employee Contributions	Interest Income	Claims Incurred	Ending Balance
2020		\$ 18,346.89	\$ 142.52	\$ 12,286.12	\$ 26,266.35
2019		16,616.50	213.31	17,383.26	20,063.06
2018	\$ 25,000.00	14,029.28	65.72	41,458.30	20,616.51

Note 12: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund - The School District is a member of the New Jersey School Insurance Group. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
 Property (Including Crime and Auto Physical Damage)
 Boiler and Machinery
 School Board Legal Liability
 Comprehensive General Liability
 Automobile Liability
 Pollution/Environmental Legal Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for the claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for the fiscal year ended June 30, 2020 which can be obtained from:

New Jersey Schools Insurance Group
 450 Veterans Drive
 Burlington, New Jersey 08016

Note 13: DEFERRED COMPENSATION

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

Washington National
 Kemper Investments
 Lincoln Investment Planning, Inc.
 Travelers

Note 14: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, 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.

School District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave. Unused vacation time may not be accumulated.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2020, the liability for compensated absences reported on the government-wide statement of net position was \$311,156.69.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2020 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 1,029,934.20	
Special Revenue		
Capital Projects		\$ 932,954.80
Proprietary Funds		89,528.94
Fiduciary	370.93	7,821.39
Totals	<u>\$ 1,030,305.13</u>	<u>\$ 1,030,305.13</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2021, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

	<u>Transfer In:</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>
<u>Transfer Out:</u>				
General Fund		\$ 63,695.00	\$ 5,450.80	
Capital Projects Fund	\$ 296,073.67			
Debt Service Fund				
Proprietary Funds				
Total Transfers	<u>\$ 296,073.67</u>	<u>\$ 63,695.00</u>	<u>\$ 5,450.80</u>	<u>\$ -</u>

The transfer between the general fund and capital projects fund resulted from the cancellation of the balance of the local source capital lease proceeds used to finance a portion of the Atco Elementary School capital project. This cancellation is due to the project being completed as of June 30, 2020. The transfer between the general fund and special revenue fund represented the budgeted transfer for preschool education aid. The transfer between the general fund and proprietary fund resulted from proprietary fund expenditures paid by the general fund.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2020 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Waterford Elementary School - Various Unbundled Project	06/20/14	\$ 1,416,284.10
Thomas Richards Elementary School - Various Unbundled Project	08/31/14	<u>193,216.59</u>
Total		<u>\$ 1,609,500.69</u>

Note 19: FUND BALANCES**RESTRICTED**

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

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. As a result of the accounting for the June State Aid Payments on the GAAP financial statements, there is no excess fund balance at June 30, 2020. Additionally, \$555,498.30 of excess fund balance generated during 2018-2019 has been restricted and designated for utilization in the 2020-2021 budget.

Note 19: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd)**

For Capital Reserve Account - As of June 30, 2020, the balance in the capital reserve account is \$784,512.33. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Special Revenue Fund – The \$168,890.97 Special Revenue Fund Balance at June 30, 2020 represents unexpended State and Local grant funds.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$6,212.73 of debt service fund balance at June 30, 2020.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2021 \$1,209,071.70 of general fund balance at June 30, 2020.

Other Purposes - As of June 30, 2020, the School District had \$17,870.88 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2020, \$458,834.58 of general fund balance was unassigned.

Note 20: SUBSEQUENT EVENTS

COVID-19 - On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,959,387.00		\$ 13,959,387.00	\$ 13,959,387.00	
Tuition	25,000.00		25,000.00	13,801.37	\$ (11,198.63)
Interest - Capital Reserve Account	2,500.00		2,500.00	11,047.55	8,547.55
Transportation Fees from Other LEAs	20,000.00		20,000.00	28,264.54	8,264.54
Unrestricted Miscellaneous Revenues	368,411.00		368,411.00	326,760.02	(41,650.98)
Total - Local Sources	14,375,298.00		14,375,298.00	14,339,260.48	(36,037.52)
State Sources:					
Extraordinary Aid	150,000.00		150,000.00	295,198.00	145,198.00
Categorical Special Education Aid	981,906.00		981,906.00	981,906.00	
Equalization Aid	10,246,188.00		10,246,188.00	10,246,188.00	
Categorical Security Aid	200,265.00		200,265.00	200,265.00	
Categorical Transportation Aid	632,435.00		632,435.00	632,435.00	
School Choice Aid	319,817.00		319,817.00	319,817.00	
Additional Non-Public Transportation Aid				1,171.00	1,171.00
Payment for Institutionalized Children - Unknown District of Residence				5,049.33	5,049.33
On-Behalf Contributions -					
T.P.A.F. Post-Retirement Medical				494,513.00	494,513.00
Teacher's Pension and Annuity Fund				1,309,512.00	1,309,512.00
T.P.A.F. Long-Term Disability Insurance				1,396.00	1,396.00
T.P.A.F. Non-contributory Insurance				23,472.00	23,472.00
Reimbursed TPAF Social Security Contributions				536,245.62	536,245.62
Total - State Sources	12,530,611.00		12,530,611.00	15,047,167.95	2,516,556.95
Federal Sources:					
SEMI Medicaid	25,263.00		25,263.00	54,314.31	29,051.31
Total - Federal Sources	25,263.00		25,263.00	54,314.31	29,051.31
Total Revenues	26,931,172.00		26,931,172.00	29,440,742.74	2,509,570.74

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 321,944.00	\$ 149,840.00	\$ 471,784.00	\$ 469,058.00	\$ 2,726.00
Grades 1 - 5	2,204,821.00	(83,990.00)	2,120,831.00	2,039,802.56	81,028.44
Grades 6 - 8	465,142.00	23,797.00	488,939.00	483,885.50	5,053.50
Regular Programs - Home Instruction:					
Salaries of Teachers	1,500.00	(305.00)	1,195.00		1,195.00
Purchased Professional - Educational Services	2,250.00	(530.00)	1,720.00	900.00	820.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	212,744.00	(45,321.31)	167,422.69	166,695.13	727.56
Purchased Professional - Educational Services	51,430.00	(32,612.41)	18,817.59	14,341.90	4,475.69
Purchased Technical Services	22,300.00	(3,057.05)	19,242.95	18,742.95	500.00
Other Purchased Services (400-500 series)	19,530.00	900.00	20,430.00	17,002.97	3,427.03
General Supplies	260,114.00	17,743.90	277,857.90	266,232.48	11,625.42
Textbooks	16,500.00	(16,000.00)	500.00		500.00
Other Objects	41,900.00	(29,200.00)	12,700.00	1,266.00	11,434.00
Total Regular Programs	<u>3,620,175.00</u>	<u>(18,734.87)</u>	<u>3,601,440.13</u>	<u>3,477,927.49</u>	<u>123,512.64</u>
Special Education:					
Learning and/or Language Disabilities					
Salaries of Teachers	181,414.00	3,290.00	184,704.00	182,771.98	1,932.02
Other Salaries for Instruction	32,094.00	598.00	32,692.00	31,931.20	760.80
General Supplies	2,900.00	133.00	3,033.00	1,137.00	1,896.00
Total - Learning and/ or Language Disabilities	<u>216,408.00</u>	<u>4,021.00</u>	<u>220,429.00</u>	<u>215,840.18</u>	<u>4,588.82</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education:					
Behavioral Disabilities:					
Salaries of Teachers	\$ 93,412.00	\$ (575.00)	\$ 92,837.00	\$ 92,027.00	\$ 810.00
Other Salaries for Instruction	12,596.00	(11,912.00)	684.00	520.00	164.00
General Supplies	500.00	1,062.00	1,562.00	1,554.76	7.24
Total - Behavioral Disabilities	106,508.00	(11,425.00)	95,083.00	94,101.76	981.24
Multiple Disabilities					
Salaries of Teachers	60,722.00	7,775.00	68,497.00	66,210.65	2,286.35
Other Salaries for Instruction	12,221.00	(11,946.00)	275.00		275.00
General Supplies	600.00	161.00	761.00	414.45	346.55
Total - Multiple Disabilities	73,543.00	(4,010.00)	69,533.00	66,625.10	2,907.90
Resource Room/Center:					
Salaries of Teachers	769,246.00	(15,355.00)	753,891.00	750,665.70	3,225.30
Other Salaries for Instruction	71,647.00	(23,016.00)	48,631.00	35,150.80	13,480.20
General Supplies	12,200.00	1,316.36	13,516.36	12,461.78	1,054.58
Total - Resource Room/Center	853,093.00	(37,054.64)	816,038.36	798,278.28	17,760.08
Preschool Disabilities - Full-Time:					
Salaries Of Teachers	80,895.00	2,400.00	83,295.00	82,815.75	479.25
Other Salaries for Instruction	10,249.00	5,342.00	15,591.00	15,254.47	336.53
General Supplies	1,185.00	761.00	1,946.00	762.28	1,183.72
Total Preschool Disabilities - Full-Time	92,329.00	8,503.00	100,832.00	98,832.50	1,999.50

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (CONT'D):					
Home Instruction					
Salaries Of Teachers	\$ 2,000.00	\$ 3,400.00	\$ 5,400.00	\$ 5,400.00	
Purchased Professional Educational Services	30,000.00	(14,500.00)	15,500.00	12,150.00	\$ 3,350.00
Total Home Instruction	<u>32,000.00</u>	<u>(11,100.00)</u>	<u>20,900.00</u>	<u>17,550.00</u>	<u>3,350.00</u>
Total - Special Education Instruction	<u>1,373,881.00</u>	<u>(51,065.64)</u>	<u>1,322,815.36</u>	<u>1,291,227.82</u>	<u>31,587.54</u>
Basic Skills/Remedial:					
Salaries of Teachers	1,272,224.00	(215,643.65)	1,056,580.35	1,034,865.75	21,714.60
Other Salaries for Instruction		46,557.00	46,557.00	46,245.62	311.38
Purchased Professional - Educational Services	500.00		500.00		500.00
General Supplies	20,200.00	(4,783.00)	15,417.00	5,502.39	9,914.61
Total - Basic Skills/Remedial	<u>1,292,924.00</u>	<u>(173,869.65)</u>	<u>1,119,054.35</u>	<u>1,086,613.76</u>	<u>32,440.59</u>
School Sponsored Cocurricular Activities - Instruction					
Salaries	350.00	16,799.65	17,149.65	800.00	16,349.65
Total - School Sponsored Cocurricular Activities - Instruction	<u>350.00</u>	<u>16,799.65</u>	<u>17,149.65</u>	<u>800.00</u>	<u>16,349.65</u>
Summer School:					
Instruction:					
Salaries of Teachers		15,150.00	15,150.00	15,150.00	
Other Salaries for Instruction		8,300.00	8,300.00	7,314.45	985.55
Total - Instruction		<u>23,450.00</u>	<u>23,450.00</u>	<u>22,464.45</u>	<u>985.55</u>
Support Services:					
Salaries		2,946.80	2,946.80	2,725.00	221.80
Purchased Prof. & Tech Services		3,928.50	3,928.50	3,928.50	
Supplies and Materials		600.00	600.00		600.00
Total - Support Services		<u>7,475.30</u>	<u>7,475.30</u>	<u>6,653.50</u>	<u>821.80</u>
Total - Summer School		<u>30,925.30</u>	<u>30,925.30</u>	<u>29,117.95</u>	<u>1,807.35</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Total - Instruction	\$ 6,287,330.00	\$ (195,945.21)	\$ 6,091,384.79	\$ 5,885,687.02	\$ 205,697.77
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State - Regular	7,279,093.00	(18,376.00)	7,260,717.00	7,260,499.48	217.52
Tuition to Other LEAs within the State - Special	943,083.00	(44,495.00)	898,588.00	896,947.99	1,640.01
Tuition to County Voc. School District - Regular	55,000.00	28,177.00	83,177.00	83,177.00	
Tuition to CSSD & Regional Day Schools	350,000.00	(134,438.00)	215,562.00	163,704.60	51,857.40
Tuition to Private Schools for the Handicapped-State	1,335,841.00	621,870.44	1,957,711.44	1,927,353.06	30,358.38
Tuition - State Facilities	39,872.00		39,872.00	39,872.00	
Total - Instruction	10,002,889.00	452,738.44	10,455,627.44	10,371,554.13	84,073.31
Attendance and Social Work Services:					
Salaries	159,128.00	(3,731.00)	155,397.00	153,591.93	1,805.07
Purchased Professional and Technical Services		19,735.00	19,735.00	19,735.00	
Other Purchased Services	450.00	291.00	741.00	741.00	
Travel - All Other	1,000.00	(250.00)	750.00	272.70	477.30
Supplies and Materials	1,000.00	1,601.00	2,601.00	1,494.48	1,106.52
Total - Attendance and Social Work Services	161,578.00	17,646.00	179,224.00	175,835.11	3,388.89
Health Services:					
Salaries	167,510.00	5,399.00	172,909.00	167,561.00	5,348.00
Purchased Professional and Technical Services	15,200.00	3,611.50	18,811.50	14,136.20	4,675.30
Travel - All Other	300.00	200.00	500.00	117.00	383.00
Supplies and Materials	5,600.00	(1,380.14)	4,219.86	3,621.43	598.43
Total - Health Services	188,610.00	7,830.36	196,440.36	185,435.63	11,004.73
Other Support Services-Speech, OT, PT & Related Services:					
Salaries	149,584.00	55,762.00	205,346.00	204,318.00	1,028.00
Purchased Professional Educational Services	187,065.00	(77,327.00)	109,738.00	108,533.29	1,204.71

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Other Support Services-Speech, OT, PT & Related Services (Cont'd):					
Supplies and Materials	\$ 3,550.00	\$ (40.00)	\$ 3,510.00	\$ 2,390.33	\$ 1,119.67
Other Objects	860.00	500.00	1,360.00	793.00	567.00
	<u>341,059.00</u>	<u>(21,105.00)</u>	<u>319,954.00</u>	<u>316,034.62</u>	<u>3,919.38</u>
Total - Other Support Services-Students-Related Services					
Other Support Services - Students - Extra Services:					
Salaries	143,514.00	145,031.00	288,545.00	281,150.66	7,394.34
Purchased Professional Educational Services	80,000.00	(38,900.00)	41,100.00	29,008.13	12,091.87
Supplies and Materials	2,600.00		2,600.00	2,429.07	170.93
	<u>226,114.00</u>	<u>106,131.00</u>	<u>332,245.00</u>	<u>312,587.86</u>	<u>19,657.14</u>
Total Other Support Services - Students - Extra Services					
Guidance:					
Salaries Other Professional Staff	126,494.00	2,516.00	129,010.00	126,368.94	2,641.06
Salaries Secretary & Clerical Assistant		2,500.00	2,500.00	2,134.63	365.37
Other Purchased Professional and Technical Services	8,500.00	(7,199.50)	1,300.50	1,300.50	
Supplies and Materials	3,750.00	(953.57)	2,796.43	1,908.75	887.68
	<u>138,744.00</u>	<u>(3,137.07)</u>	<u>135,606.93</u>	<u>131,712.82</u>	<u>3,894.11</u>
Total Other Support Services - Guidance					
Child Study Team:					
Salaries of Other Professional Staff	283,645.00	16,962.00	300,607.00	298,239.68	2,367.32
Salaries of Secretarial and Clerical Assistants	43,078.00		43,078.00	43,077.84	0.16
Purchased Professional Educational Services		50,500.00	50,500.00	49,890.00	610.00
Other Purchased Professional and Technical Services	31,660.00	(1,760.00)	29,900.00	17,161.25	12,738.75
Other Purchased Services (400-500 series)	6,275.00	(650.00)	5,625.00	3,708.10	1,916.90
Supplies and Materials	11,550.00	(6,500.00)	5,050.00	3,421.88	1,628.12
Other Objects	1,000.00	(500.00)	500.00	150.00	350.00
	<u>377,208.00</u>	<u>58,052.00</u>	<u>435,260.00</u>	<u>415,648.75</u>	<u>19,611.25</u>
Total Other Support Services - Child Study Team					

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Improvement Instructional Services:					
Salaries of Supervisors of Instruction	\$ 96,399.00	\$ 45.00	\$ 96,444.00	\$ 96,305.04	\$ 138.96
Salaries of Other Professional Staff	61,163.00	15,645.00	76,808.00	69,967.73	6,840.27
Salaries of Secretarial and Clerical Assistants	73,617.00	1,903.43	75,520.43	74,661.11	859.32
Salaries of Facilitators, Math, and Literacy Coaches	103,478.00	(14,383.00)	89,095.00	89,087.00	8.00
Purchased Professional Educational Services	47,667.50	5,006.47	52,673.97	52,673.97	
Other Purchased Services	1,900.00	(1,500.00)	400.00	385.00	15.00
Travel - All Other	2,135.00	10,174.71	12,309.71	8,240.48	4,069.23
Supplies and Materials	6,950.00	(1,100.00)	5,850.00	3,965.26	1,884.74
Other Objects	4,275.00	(1,350.00)	2,925.00	2,695.00	230.00
Total Improvement Instructional Services	<u>397,584.50</u>	<u>14,441.61</u>	<u>412,026.11</u>	<u>397,980.59</u>	<u>14,045.52</u>
Educational Media Services/School Library:					
Salaries	116,941.00	3,717.90	120,658.90	120,205.25	453.65
Salaries - Other	10,200.00	58,065.00	68,265.00	68,257.11	7.89
Salaries of Technology Coordinators	60,275.00	6,124.00	66,399.00	66,000.00	399.00
Purchased Professional and Technical Services	128,180.00	51,765.00	179,945.00	178,410.61	1,534.39
Other Purchased Services	15,885.00	(14,635.00)	1,250.00		1,250.00
Supplies and Materials	73,288.76	(11,457.99)	61,830.77	60,850.67	980.10
Total Educational Media Services/School Library	<u>404,769.76</u>	<u>93,578.91</u>	<u>498,348.67</u>	<u>493,723.64</u>	<u>4,625.03</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	31,500.00	(29,000.00)	2,500.00	155.00	2,345.00
Salaries of Secretarial and Clerical Assistants	20,426.00	699.00	21,125.00	21,117.60	7.40
Other Salaries	500.00	14,500.00	15,000.00	12,354.85	2,645.15
Purchased Professional - Educational Services	93,200.00	(60,919.86)	32,280.14	24,364.68	7,915.46
Other Purchased Professional and Technical Services		50.00	50.00		50.00
Other Purchased Services	11,050.00	57,515.00	68,565.00	58,987.72	9,577.28
Supplies and Materials	4,450.00	2,420.33	6,870.33	6,345.33	525.00
Other Objects		100.00	100.00	50.00	50.00
Total Instructional Staff Training Services	<u>161,126.00</u>	<u>(14,635.53)</u>	<u>146,490.47</u>	<u>123,375.18</u>	<u>23,115.29</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original</u> <u>Budget</u>	<u>Budget</u> <u>Modifications</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 96,525.00	\$ 4,129.00	\$ 100,654.00	\$ 99,267.08	\$ 1,386.92
Legal Services	55,000.00	9,265.00	64,265.00	53,350.07	10,914.93
Audit Fees	23,500.00	3,000.00	26,500.00	26,500.00	
Architectural / Engineering Services	47,500.00	(7,535.00)	39,965.00	28,990.00	10,975.00
Other Purchased Professional Services	40,000.00	(5,150.00)	34,850.00	20,559.03	14,290.97
Purchased Technical Services	26,377.50	(20,070.00)	6,307.50	2,193.90	4,113.60
Communications/Telephone	30,250.00	8,975.00	39,225.00	32,569.85	6,655.15
Travel - All Other	1,635.00	2,400.00	4,035.00	3,974.62	60.38
BOE Other Purchased Services	1,000.00	850.00	1,850.00	1,767.20	82.80
Miscellaneous Purchased Services	32,650.00	1,850.00	34,500.00	34,357.00	143.00
General Supplies	11,500.00	1,550.00	13,050.00	12,599.35	450.65
BOE In-house Training and Meeting Supplies	3,250.00	(500.00)	2,750.00	1,897.94	852.06
Judgements Against School District		15,000.00	15,000.00	15,000.00	
Miscellaneous Expenditures	2,250.00	(1,000.00)	1,250.00	591.00	659.00
BOE Membership Dues and Fees	12,500.00	(291.00)	12,209.00	11,996.60	212.40
Total Support Services General Administration	383,937.50	12,473.00	396,410.50	345,613.64	50,796.86
Support Services School Administration:					
Salaries of Principals/Assistant Principals	256,978.00	(47,600.00)	209,378.00	209,376.88	1.12
Salaries of Other Professional Staff	6,000.00	6,734.00	12,734.00	10,161.00	2,573.00
Salaries of Secretarial and Clerical Assistants	126,720.00	(11,738.00)	114,982.00	113,946.22	1,035.78
Purchased Professional and Technical Services	200.00		200.00		200.00
Other Purchased Services	9,805.00	5,055.00	14,860.00	12,715.86	2,144.14
Travel - All Other	4,770.00	8,000.00	12,770.00	11,085.64	1,684.36
Supplies and Materials	9,415.00	(610.00)	8,805.00	8,157.94	647.06
Other Objects	3,875.00		3,875.00	3,242.08	632.92
Total Support Services School Administration	417,763.00	(40,159.00)	377,604.00	368,685.62	8,918.38

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Central Services:					
Salaries	\$ 344,569.00	\$ (32,344.00)	\$ 312,225.00	\$ 309,269.40	\$ 2,955.60
Unused Vacation Payment to Terminated/Retired Staff		2,370.00	2,370.00	2,366.49	3.51
Purchased Technical Services	38,850.00	22,230.00	61,080.00	61,075.55	4.45
Miscellaneous Purchased Services (400-500 series)	6,375.00	(280.00)	6,095.00	5,690.30	404.70
Supplies and Materials	9,500.00	2,405.00	11,905.00	11,904.09	0.91
Interest on Current Loans	16,750.00	19,200.00	35,950.00	35,937.49	12.51
Miscellaneous Expenditures	1,950.00	350.00	2,300.00	2,183.19	116.81
Total Central Services	<u>417,994.00</u>	<u>13,931.00</u>	<u>431,925.00</u>	<u>428,426.51</u>	<u>3,498.49</u>
Required Maintenance for School Facilities:					
Salaries	93,531.00	(3,120.00)	90,411.00	89,733.40	677.60
Cleaning, Repair & Maintenance Services	390,585.26	(8,625.00)	381,960.26	225,258.00	156,702.26
General Supplies	15,000.00		15,000.00	13,774.65	1,225.35
Total - Required Maintenance for School Facilities	<u>499,116.26</u>	<u>(11,745.00)</u>	<u>487,371.26</u>	<u>328,766.05</u>	<u>158,605.21</u>
Custodial Services:					
Salaries	337,105.00	(11,849.00)	325,256.00	306,307.71	18,948.29
Salaries of Non-Instructional Aids	96,622.00	7,578.00	104,200.00	100,397.66	3,802.34
Purchased Professional & Technical Services	77,800.00	(20,750.00)	57,050.00	18,602.80	38,447.20
Cleaning, Repair & Maintenance Services	31,980.00	(950.00)	31,030.00	18,430.87	12,599.13
Rental of Land and Buildings Other Than Lease	3,900.00	300.00	4,200.00	3,657.40	542.60
Other Purchased Property Services	606,490.00	(9,350.00)	597,140.00	595,306.09	1,833.91
Insurance	58,000.00	(1,000.00)	57,000.00	48,136.00	8,864.00

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Custodial Services (Cont'd):					
Miscellaneous Purchased Services	\$ 1,780.00	\$ 1,000.00	\$ 2,780.00	\$ 1,663.48	\$ 1,116.52
General Supplies	72,750.00	20,491.00	93,241.00	58,406.94	34,834.06
Energy (Natural Gas)	64,400.00	10,000.00	74,400.00	47,934.78	26,465.22
Energy (Electricity)	316,000.00	(10,000.00)	306,000.00	236,547.01	69,452.99
Energy (Gasoline)	2,700.00		2,700.00	565.91	2,134.09
Other Objects	2,300.00		2,300.00	385.00	1,915.00
Total Other Operations and Maintenance of Plant	1,671,827.00	(14,530.00)	1,657,297.00	1,436,341.65	220,955.35
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	42,750.00	(3,130.00)	39,620.00	9,255.00	30,365.00
General Supplies	2,060.00		2,060.00		2,060.00
Total Care and Upkeep of Grounds	44,810.00	(3,130.00)	41,680.00	9,255.00	32,425.00
Security:					
Purchased Professional and Technical Services	113,000.00	22,180.00	135,180.00	117,068.85	18,111.15
Cleaning, Repair, and Maintenance Services	38,625.00	(15,950.00)	22,675.00	1,860.00	20,815.00
General Supplies	2,300.00		2,300.00	750.00	1,550.00
Total Security	153,925.00	6,230.00	160,155.00	119,678.85	40,476.15
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	81,874.00	8,734.00	90,608.00	89,966.24	641.76
Management Fee - ES & CTSA Trasn. Program	46,350.00		46,350.00	36,079.55	10,270.45
Other Purchased Professional and Technical Services	6,000.00		6,000.00	5,500.00	500.00
Cleaning, Repair, and Maintenance Services	250.00		250.00	133.52	116.48
Contracted Services - Aid in Lieu of Payments-Non Public	78,000.00		78,000.00	37,880.00	40,120.00
Contracted Services - Aid in Lieu of Payments - Charter Schools	2,050.00		2,050.00	1,355.20	694.80
Contracted Services - Aid in Lieu of Payments - School Choice	7,300.00		7,300.00	7,098.40	201.60
Contracted Services (Between Home & School) - Vendors	930,000.00	(42,700.00)	887,300.00	765,967.57	121,332.43

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services (Cont'd):					
Contracted Services (Other than Between Home & School) - Vendors	\$ 103,464.00	\$ (16,250.00)	\$ 87,214.00	\$ 22,927.65	\$ 64,286.35
Contracted Services (Between Home & School) - Joint Agreements	9,500.00		9,500.00	682.56	8,817.44
Contracted Services (Special Education) - Vendors	375,000.00	(80,753.00)	294,247.00	182,272.35	111,974.65
Contracted Services (Special Education) - Joint Agreements	4,650.00		4,650.00		4,650.00
Contracted Services (Regular Students) - ESC's & CTSA's	105,000.00		105,000.00	73,040.42	31,959.58
Contracted Services (Special Ed. Students) - ESC's & CTSA's	675,000.00		675,000.00	661,230.37	13,769.63
Miscellaneous Purchased Services - Transportation	4,700.00		4,700.00	1,774.44	2,925.56
General Supplies	2,000.00		2,000.00	1,338.02	661.98
Other Objects	175.00		175.00		175.00
Total Student Transportation Services	2,431,313.00	(130,969.00)	2,300,344.00	1,887,246.29	413,097.71
Allocated Benefits:					
Regular Programs - Instruction - Employee Benefits:					
Social Security Contributions	30,000.00	(1,880.00)	28,120.00	28,110.50	9.50
Other Retirement Contributions - PERS	13,000.00	(6,000.00)	7,000.00	6,987.28	12.72
Other Retirement Contributions - Regular	3,250.00	1,000.00	4,250.00	3,968.47	281.53
Health Benefits	828,750.00	113,305.00	942,055.00	931,697.57	10,357.43
Tuition Reimbursement	25,250.00	(20,000.00)	5,250.00	5,250.00	
Total Regular Programs - Instruction	900,250.00	86,425.00	986,675.00	976,013.82	10,661.18
Special Programs - Instruction - Employee Benefits:					
Social Security Contributions	15,000.00	2,559.00	17,559.00	17,496.45	62.55
Other Retirement Contributions - PERS	11,000.00	(7,000.00)	4,000.00	3,803.32	196.68
Other Retirement Contributions - Regular	1,750.00	2,600.00	4,350.00	4,098.17	251.83
Health Benefits	639,000.00	(53,113.00)	585,887.00	582,624.34	3,262.66
Unused Sick Payment to Terminated/Retired Staff		12,000.00	12,000.00	12,000.00	
Total Special Programs - Instruction	666,750.00	(42,954.00)	623,796.00	620,022.28	3,773.72

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Other Instructional Programs - Instruction - Employee Benefits:					
Social Security Contributions	\$ 125.00	\$ 1,825.00	\$ 1,950.00	\$ 1,942.29	\$ 7.71
Total Other Instructional Programs - Instruction - Employee Benefits	<u>125.00</u>	<u>1,825.00</u>	<u>1,950.00</u>	<u>1,942.29</u>	<u>7.71</u>
Attendance and Social Work Services - Employee Benefits:					
Social Security Contributions	4,000.00	(1,080.00)	2,920.00	2,775.20	144.80
Other Retirement Contributions - PERS	7,000.00	(1,700.00)	5,300.00	5,235.57	64.43
Health Benefits	59,555.00	(15,658.00)	43,897.00	42,894.08	1,002.92
Total Attendance and Social Work Services - Employee Benefits	<u>70,555.00</u>	<u>(18,438.00)</u>	<u>52,117.00</u>	<u>50,904.85</u>	<u>1,212.15</u>
Health Services - Employee Benefits:					
Social Security Contributions	2,000.00	(268.00)	1,732.00	1,729.11	2.89
Other Retirement Contributions - PERS	4,000.00	(2,150.00)	1,850.00	1,848.47	1.53
Other Retirement Contributions - Regular	375.00		375.00		375.00
Health Benefits	64,455.00	7,066.00	71,521.00	71,146.74	374.26
Total Health Services - Employee Benefits	<u>70,830.00</u>	<u>4,648.00</u>	<u>75,478.00</u>	<u>74,724.32</u>	<u>753.68</u>
Other Support Services - Students - Related Services - Employee Benefits:					
Social Security Contributions	31.00	2,179.00	2,210.00	2,076.28	133.72
Other Retirement Contributions - Regular		2,760.00	2,760.00	2,199.20	560.80
Health Benefits	13,050.00	12,505.00	25,555.00	24,250.84	1,304.16
Unused Sick Payment to Terminated/Retired Staff	469.00		469.00		469.00
Total Other Support Services - Students - Related Services - Employee Benefits	<u>13,550.00</u>	<u>17,444.00</u>	<u>30,994.00</u>	<u>28,526.32</u>	<u>2,467.68</u>
Other Support Services - Students - Extraordinary Services - Employee Benefits:					
Social Security Contributions	14,000.00	9,732.00	23,732.00	23,728.21	3.79
Other Retirement Contributions - PERS	8,500.00	(3,250.00)	5,250.00	5,227.09	22.91
Other Retirement Contributions - Regular	3,500.00	3,225.00	6,725.00	6,717.42	7.58
Health Benefits		54,545.00	54,545.00	53,861.38	683.62
Total Other Support Services - Students - Extraordinary Services - Employee Benefits	<u>26,000.00</u>	<u>64,252.00</u>	<u>90,252.00</u>	<u>89,534.10</u>	<u>717.90</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Other Support Services - Guidance - Employee Benefits:					
Social Security Contributions	\$ 500.00	\$ 399.00	\$ 899.00	\$ 675.11	\$ 223.89
Health Benefits	41,410.00	1,595.00	43,005.00	42,569.51	435.49
Total Other Support Services - Guidance - Employee Benefits	41,910.00	1,994.00	43,904.00	43,244.62	659.38
Other Support Services - Child Study Teams - Employee Benefits:					
Group Insurance	2,500.00		2,500.00	1,029.60	1,470.40
Social Security Contributions	6,500.00	(2,377.00)	4,123.00	4,119.47	3.53
Other Retirement Contributions - PERS	6,000.00	(1,640.00)	4,360.00	4,351.93	8.07
Health Benefits	55,375.00	(895.00)	54,480.00	53,196.47	1,283.53
Total Other Support Services - Child Study Teams - Employee Benefits	70,375.00	(4,912.00)	65,463.00	62,697.47	2,765.53
Improvement of Instruction Services - Employee Benefits:					
Group Insurance	1,850.00	(75.00)	1,775.00	1,647.40	127.60
Social Security Contributions	6,500.00	2,205.00	8,705.00	8,700.91	4.09
Other Retirement Contributions - PERS	5,500.00	5,165.00	10,665.00	10,664.86	0.14
Health Benefits	120,200.00	(39,765.00)	80,435.00	78,784.56	1,650.44
Total Improvement of Instruction Services - Employee Benefits	134,050.00	(32,470.00)	101,580.00	99,797.73	1,782.27
Educational Media Services - School Library - Employee Benefits:					
Social Security Contributions	10,000.00	8,140.00	18,140.00	17,999.57	140.43
Other Retirement Contributions - PERS	15,000.00	(4,000.00)	11,000.00	10,906.28	93.72
Other Retirement Contributions - Regular	1,200.00	(30.00)	1,170.00	831.00	339.00
Health Benefits	21,803.00	9,800.00	31,603.00	30,295.13	1,307.87
Total Educational Media Services - School Library - Employee Benefits	48,003.00	13,910.00	61,913.00	60,031.98	1,881.02
Instructional Staff Training Services - Employee Benefits:					
Social Security Contributions	4,000.00	(968.00)	3,032.00	2,955.83	76.17
Other Retirement Contributions - PERS	2,200.00	(2,200.00)			
Health Benefits	4,250.00	2,495.00	6,745.00	6,677.61	67.39
Total Instructional Staff Training Services - Employee Benefits	10,450.00	(673.00)	9,777.00	9,633.44	143.56

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Allocated Benefits (Cont'd):					
Support Services - General Administration - Employee Benefits:					
Group Insurance	\$ 2,450.00	\$ (325.00)	\$ 2,125.00	\$ 1,488.98	\$ 636.02
Social Security Contributions	3,500.00	(1,800.00)	1,700.00	1,627.90	72.10
Other Retirement Contributions - PERS	7,500.00	(7,500.00)			
Health Benefits	21,867.00	5,652.00	27,519.00	26,863.93	655.07
Total Support Services - General Administration - Employee Benefits	35,317.00	(3,973.00)	31,344.00	29,980.81	1,363.19
Support Services - School Administration - Employee Benefits:					
Group Insurance	5,560.00	(425.00)	5,135.00	3,719.78	1,415.22
Social Security Contributions	12,000.00	(707.00)	11,293.00	11,287.22	5.78
Other Retirement Contributions - PERS	19,250.00	(2,300.00)	16,950.00	16,937.37	12.63
Other Retirement Contributions - Regular	200.00		200.00		200.00
Health Benefits	147,750.00	(25,188.00)	122,562.00	120,686.49	1,875.51
Tuition Reimbursement		1,000.00	1,000.00	1,000.00	
Total Support Services - School Administration - Employee Benefits	184,760.00	(27,620.00)	157,140.00	153,630.86	3,509.14
Support Services - Central Services - Employee Benefits:					
Group Insurance	2,900.00	(1,080.00)	1,820.00	1,801.80	18.20
Social Security Contributions	14,500.00	(870.00)	13,630.00	13,234.60	395.40
Other Retirement Contributions - PERS	22,250.00	(4,800.00)	17,450.00	17,397.73	52.27
Other Retirement Contributions - Regular		1,289.00	1,289.00	1,220.28	68.72
Health Benefits	129,300.00	(35,520.00)	93,780.00	93,312.40	467.60
Total Support Services - Central Services - Employee Benefits	168,950.00	(40,981.00)	127,969.00	126,966.81	1,002.19
Required Maintenance for School Facilities - Employee Benefits:					
Social Security Contributions	5,500.00	1,650.00	7,150.00	6,864.58	285.42
Health Benefits	18,350.00	(4,554.00)	13,796.00	13,304.68	491.32
Total Operation and Maintenance of Plant Service - Employee Benefits	23,850.00	(2,904.00)	20,946.00	20,169.26	776.74
Custodial Services - Employee Benefits					
Social Security Contributions	35,000.00	(2,540.00)	32,460.00	31,804.39	655.61
Other Retirement Contributions - PERS	16,500.00	26,575.00	43,075.00	43,074.30	0.70
Other Retirement Contributions - Regular	1,000.00	1,171.00	2,171.00	2,170.57	0.43
Health Benefits	60,500.00	22,385.00	82,885.00	81,147.72	1,737.28
Total Operation and Maintenance of Plant Service - Employee Benefits	113,000.00	47,591.00	160,591.00	158,196.98	2,394.02

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services - Employee Benefits:					
Social Security Contributions	\$ 7,500.00	\$ 15.00	\$ 7,515.00	\$ 7,273.69	\$ 241.31
Other Retirement Contributions - PERS	11,000.00	(100.00)	10,900.00	8,535.13	2,364.87
Health Benefits	41,400.00	10,625.00	52,025.00	51,251.22	773.78
Total Student Transportation Services - Employee Benefits	<u>59,900.00</u>	<u>10,540.00</u>	<u>70,440.00</u>	<u>67,060.04</u>	<u>3,379.96</u>
Total Allocated Benefits	<u>2,638,625.00</u>	<u>73,704.00</u>	<u>2,712,329.00</u>	<u>2,673,077.98</u>	<u>39,251.02</u>
Unallocated Benefits - Employee Benefits:					
Social Security		4,775.00	4,775.00	4,767.05	7.95
Unemployment	25,000.00	(22,275.00)	2,725.00		2,725.00
Workmen's Compensation	159,000.00	24,325.00	183,325.00	183,314.44	10.56
Health Benefits	300,000.00	(243,366.00)	56,634.00	56,500.00	134.00
Other Employee Benefits		9,450.00	9,450.00	9,370.00	80.00
Unused Vacation Payment to Term/Ret Staff		2,500.00	2,500.00	2,467.08	32.92
Total Unallocated Benefits - Employee Benefits	<u>484,000.00</u>	<u>(224,591.00)</u>	<u>259,409.00</u>	<u>256,418.57</u>	<u>2,990.43</u>
On-behalf Contributions-					
T.P.A.F. Post-Retirement Medical				494,513.00	(494,513.00)
Teacher's Pension and Annuity Fund				1,309,512.00	(1,309,512.00)
T.P.A.F. Long-Term Disability Insurance				1,396.00	(1,396.00)
T.P.A.F. Non-contributory Insurance				23,472.00	(23,472.00)
Reimbursed TPAF Social Security Contributions				536,245.62	(536,245.62)
Total TPAF Contributions				<u>2,365,138.62</u>	<u>(2,365,138.62)</u>
Total Undistributed Expenses	<u>21,542,993.02</u>	<u>392,754.72</u>	<u>21,935,747.74</u>	<u>23,142,537.11</u>	<u>(1,206,789.37)</u>
Total Expenditures - Current Expense	<u>27,830,323.02</u>	<u>196,809.51</u>	<u>28,027,132.53</u>	<u>29,028,224.13</u>	<u>(1,001,091.60)</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Equipment:					
Support Services - Related & Extraordinary	\$ 7,400.00	\$ (6,700.00)	\$ 700.00		\$ 700.00
Support Services - Instructional Staff	2,250.00	73,515.49	75,765.49	\$ 75,760.96	4.53
Regular Maintenance of School Facilities	36,711.00	7,225.00	43,936.00	9,731.14	34,204.86
Custodial Services	12,800.00	(7,200.00)	5,600.00	5,600.00	
Security	25,000.00	1,703.00	26,703.00	19,133.15	7,569.85
Total - Equipment	<u>84,161.00</u>	<u>68,543.49</u>	<u>152,704.49</u>	<u>110,225.25</u>	<u>42,479.24</u>
Facilities Acquisition and Construction Services:					
Architectural and Engineering Services	3,018.47	9,660.00	12,678.47	12,675.41	3.06
Construction Services	600,008.00	(109,660.00)	490,348.00	234,486.14	255,861.86
Assessment for Debt Service on SDA Funding	3,331.00		3,331.00	3,331.00	
Total Facilities Acquisition and Construction Services	<u>606,357.47</u>	<u>(100,000.00)</u>	<u>506,357.47</u>	<u>250,492.55</u>	<u>255,864.92</u>
Total Capital Outlay	<u>690,518.47</u>	<u>(31,456.51)</u>	<u>659,061.96</u>	<u>360,717.80</u>	<u>298,344.16</u>
SPECIAL SCHOOLS:					
Summer School - Instruction:					
Salaries of Teachers	26,500.00	(26,500.00)			
Other Salaries for Instruction	13,000.00	(13,000.00)			
Total Summer School - Instruction	<u>39,500.00</u>	<u>(39,500.00)</u>			
Summer School - Support Services:					
Salaries	9,500.00	(9,500.00)			
Personal Services - Employee Benefits	3,575.00	(3,575.00)			
Supplies and Materials	600.00	(600.00)			
Total Summer School Support Services	<u>13,675.00</u>	<u>(13,675.00)</u>			
Total Special Schools	<u>53,175.00</u>	<u>(53,175.00)</u>			

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2020

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
Transfer of Funds to Charter Schools	\$ 26,716.00		\$ 26,716.00	\$ 26,716.00	
Total Expenditures	<u>28,600,732.49</u>	<u>\$ 112,178.00</u>	<u>28,712,910.49</u>	<u>29,415,657.93</u>	<u>\$ (702,747.44)</u>
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,669,560.49)</u>	<u>(112,178.00)</u>	<u>(1,781,738.49)</u>	<u>25,084.81</u>	<u>1,806,823.30</u>
Other Financing Sources (Uses):					
Transfer to Food Service Fund - Expenditures Covered by General Fund		(6,671.00)	(6,671.00)	(5,450.80)	1,220.20
Transfer to Special Revenue Fund - Preschool Program - Regular	(196,255.00)	118,849.00	(77,406.00)	(63,395.00)	14,011.00
Transfer to Capital Reserve	(247,108.00)		(247,108.00)	(247,108.00)	
Increase in Capital Reserve				247,108.00	247,108.00
Interest Deposited Into Capital Reserve	(2,500.00)		(2,500.00)	11,047.55	13,547.55
Interest Transfer to Capital Reserve				(11,047.55)	(11,047.55)
Transfer in Capital Projects Fund				296,073.67	296,073.67
Total - Other Financing Sources (Uses)	<u>(445,863.00)</u>	<u>112,178.00</u>	<u>(333,685.00)</u>	<u>227,227.87</u>	<u>560,912.87</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,115,423.49)</u>	<u>0.00</u>	<u>(2,115,423.49)</u>	<u>252,312.68</u>	<u>2,367,736.17</u>
Fund Balances, July 1	<u>3,959,274.21</u>		<u>3,959,274.21</u>	<u>3,959,274.21</u>	
Fund Balances, June 30	<u>\$ 1,843,850.72</u>	<u>\$ 0.00</u>	<u>\$ 1,843,850.72</u>	<u>\$ 4,211,586.89</u>	<u>\$ 2,367,736.17</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 784,512.33	
For Excess Surplus				955,986.39	
Excess Surplus - Designated for Subsequent Year's Expenditures				555,498.30	
Assigned Fund Balance:					
Year-End Encumbrances				17,870.88	
Designated for Subsequent Year's Expenditures				1,209,071.70	
Unassigned Fund Balance				<u>688,647.29</u>	
				4,211,586.89	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(1,185,799.10)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,025,787.79</u>	

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 33,197.26		\$ 33,197.26	\$ 16,334.66	\$ (16,862.60)
Total - Local Sources	<u>33,197.26</u>		<u>33,197.26</u>	<u>16,334.66</u>	<u>(16,862.60)</u>
State Sources:					
Preschool Expansion Aid	2,051,259.00		2,051,259.00	1,740,066.79	(311,192.21)
Total - State Sources	<u>2,051,259.00</u>		<u>2,051,259.00</u>	<u>1,740,066.79</u>	<u>(311,192.21)</u>
Federal Sources:					
Title I Grants to Local Educational Agencies	218,354.00		218,354.00	201,348.46	(17,005.54)
Supporting Effective Instruction State Grants (Title II, Part A)	33,086.00		33,086.00	33,086.00	
Student Support & Academic Enrichment (Title IV)	13,598.00		13,598.00	13,598.00	
Special Education Grants to States (IDEA) - Basic	211,068.00		211,068.00	211,068.00	
Special Education Grants to States (IDEA) - Preschool	16,088.00		16,088.00	16,088.00	
CARES Emergency Relief Grant	175,527.00		175,527.00	2,500.00	(173,027.00)
Total - Federal Sources	<u>667,721.00</u>		<u>667,721.00</u>	<u>477,688.46</u>	<u>(190,032.54)</u>
Total Revenues	<u>2,752,177.26</u>		<u>2,752,177.26</u>	<u>2,234,089.91</u>	<u>(518,087.35)</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries	\$ 921,888.00	\$ (59,058.00)	\$ 862,830.00	\$ 736,750.25	\$ 126,079.75
Other Salaries for Instruction	209,406.00	(12,550.00)	196,856.00	168,935.15	27,920.85
Purchased Educational and Technical Services	2,500.00		2,500.00	2,500.00	
Purchased Education Services - Contracted Pre-K	19,000.00	1,000.00	20,000.00	757.75	19,242.25
Other Purchased Services	227,156.00		227,156.00	227,156.00	
General Supplies	96,182.00	(8,380.00)	87,802.00	30,923.01	56,878.99
Other Objects	5,000.00	(2,000.00)	3,000.00		3,000.00
Total Instruction	1,481,132.00	(80,988.00)	1,400,144.00	1,167,022.16	233,121.84
Support Services:					
Salaries	40,017.00		40,017.00	10,917.00	29,100.00
Salaries of Supervisors of Instruction	17,012.00		17,012.00	16,994.88	17.12
Salaries of Program Directors	63,668.00	8,202.00	71,870.00	71,869.20	0.80
Salaries of Other Professional Staff	105,419.00	26,500.00	131,919.00	101,196.14	30,722.86
Salaries of Secretarial and Clerical Assistants	44,555.00	(2,000.00)	42,555.00	30,588.71	11,966.29
Other Salaries	2,900.00		2,900.00		2,900.00
Salaries Community Parent Involvement Specialist	14,700.00	9,800.00	24,500.00	10,904.29	13,595.71
Salaries of Master Teacher	46,880.00	31,775.00	78,655.00	78,593.20	61.80
Personal Services-Employee Benefits	439,173.00	4,331.00	443,504.00	314,201.19	129,302.81
Purchased Professional and Technical Services	50,963.00		50,963.00	39,113.00	11,850.00
Other Purchased Professional Education Services	30,000.00		30,000.00	15,752.00	14,248.00
Other Purchased Professional Services		2,000.00	2,000.00		2,000.00
Cleaning Repair and Maintenance	5,000.00		5,000.00		5,000.00
Other Purchased Services	75.00		75.00		75.00
Contracted Services - Transportation (Between Home/School)	200,000.00	(2,500.00)	197,500.00	193,917.10	3,582.90
Contracted Services - Transportation (Field Trips)	45,000.00	(2,961.00)	42,039.00	1,192.00	40,847.00
Travel	8,071.00		8,071.00	7,571.00	500.00
Supplies and Materials	51,367.26	(1,839.00)	49,528.26	6,263.35	43,264.91
Other Objects	300,000.00		300,000.00	223,709.69	76,290.31
Total Support Services	1,464,800.26	73,308.00	1,538,108.26	1,122,782.75	415,325.51

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Facilities Acquisition and Construction Services:					
Instructional Equipment	\$ 2,500.00		\$ 2,500.00		\$ 2,500.00
Non-Instructional Equipment		\$ 7,680.00	7,680.00	\$ 7,680.00	
Total Facilities Acquisition and Construction Services	<u>2,500.00</u>	<u>7,680.00</u>	<u>10,180.00</u>	<u>7,680.00</u>	<u>2,500.00</u>
Total Expenditures	<u>2,948,432.26</u>		<u>2,948,432.26</u>	<u>2,297,484.91</u>	<u>650,947.35</u>
Other Financing Sources (Uses):					
Transfer in from General Fund	<u>196,255.00</u>		<u>196,255.00</u>	<u>63,395.00</u>	<u>132,860.00</u>
Total Other Financing Sources (Uses)	<u>196,255.00</u>		<u>196,255.00</u>	<u>63,395.00</u>	<u>132,860.00</u>
Total Outflows	<u>2,752,177.26</u>		<u>2,752,177.26</u>	<u>2,234,089.91</u>	<u>518,087.35</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

For the Fiscal Year Ended June 30, 2020

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 29,440,742.74	\$ 2,234,089.91
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		3,723.82
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		51,184.84
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,242,847.10	200,151.90
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(1,185,799.10)</u>	<u>(205,125.90)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 29,497,790.74</u></u>	<u><u>\$ 2,284,024.57</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 29,415,657.93	\$ 2,234,089.91
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		51,190.99
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.		<u>63,395.00</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 29,415,657.93</u></u>	<u><u>\$ 2,348,675.90</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Seven Plan Years

	Measurement Date Ending June 30,						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0138046931%	0.0139461364%	0.0159498148%	0.0172366571%	0.0173849565%	0.0157231038%	0.0158926670%
School District's Proportionate Share of the Net Pension Liability	\$ 2,487,396.00	\$ 2,745,925.00	\$ 3,712,862.00	\$ 5,105,003.00	\$ 3,902,574.00	\$ 2,943,795.00	\$ 3,037,404.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,045,392.00	\$ 989,876.00	\$ 1,143,512.00	\$ 1,274,524.00	\$ 1,292,032.00	\$ 1,171,152.00	\$ 1,181,768.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	237.94%	277.40%	324.69%	400.54%	302.05%	251.36%	257.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Seven Fiscal Years

	<u>Fiscal Year Ended June 30,</u>						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 191,204.00	\$ 134,281.00	\$ 138,719.00	\$ 147,758.00	\$ 153,128.00	\$ 149,464.00	\$ 129,619.00
Contributions in Relation to the Contractually Required Contribution	<u>(191,204.00)</u>	<u>(134,281.00)</u>	<u>(138,719.00)</u>	<u>(147,758.00)</u>	<u>(153,128.00)</u>	<u>(149,464.00)</u>	<u>(129,619.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,295,031.00	\$ 1,268,800.00	\$ 966,279.00	\$ 919,737.00	\$ 862,618.00	\$ 1,173,612.00	\$ 1,093,263.00
Contributions as a Percentage of School District's Covered Payroll	14.76%	10.58%	14.36%	16.07%	17.75%	12.74%	11.86%

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Seven Plan Years

	Measurement Date Ending June 30,						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>40,292,472.00</u>	<u>42,496,725.00</u>	<u>42,786,258.00</u>	<u>50,175,013.00</u>	<u>37,191,626.00</u>	<u>32,863,328.00</u>	<u>31,650,812.00</u>
	<u>\$ 40,292,472.00</u>	<u>\$ 42,496,725.00</u>	<u>\$ 42,786,258.00</u>	<u>\$ 50,175,013.00</u>	<u>\$ 37,191,626.00</u>	<u>\$ 32,863,328.00</u>	<u>\$ 31,650,812.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 7,497,452.00	\$ 8,095,644.00	\$ 8,109,996.00	\$ 7,546,188.00	\$ 7,691,280.00	\$ 6,882,600.00	\$ 6,926,520.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	537.42%	524.93%	527.57%	664.91%	483.56%	477.48%	456.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2020

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 4.68% 2014, 4.13% 2015, 3.22% 2016, 4.25% 2017, 4.86% 2018 and 5.60% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2015 - June 30, 2018 experience study. For pre-retirement mortality, 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 was used. For healthy retirees and beneficiaries, the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males, and a 100.3% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2012- June 30, 2015 experience study.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017, 5.66% 2018, and 6.28% 2019.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017, 2018 and 2019.

For 2019, the assumed rates of retirement, mortality, salary increases, and inflation were updated based on the July 1, 2014 - June 30, 2018 experience study. For pre-retirement mortality, the Pub-2010 General Below-Median Income Employee mortality table with a 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 was used. For healthy retirees and beneficiaries, 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 was used. For disabled retiree mortality, the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males, and a 117.2% adjustment for females, and with improvement from the base year of 2010 on a generational basis was used. For mortality improvement, Scale MP-2019 was used.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Three Plan Years

	<u>Measurement Date Ending June 30.</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District			
Changes for the Year:			
Service Cost	\$ 1,111,876.00	\$ 1,221,998.00	\$ 1,468,125.00
Interest Cost	1,534,385.00	1,658,525.00	1,437,916.00
Difference Between Expected and Actual Experience	(7,716,474.00)	(3,968,995.00)	
Changes in Assumptions	498,920.00	(4,478,882.00)	(5,773,930.00)
Gross Benefit Payments	(1,027,181.00)	(1,043,647.00)	(1,056,306.00)
Member Contributions	30,449.00	36,070.00	38,896.00
Net Change in Total Non-Employer OPEB Liability	(5,568,025.00)	(6,574,931.00)	(3,885,299.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	39,029,953.00	45,604,884.00	49,490,183.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 33,461,928.00</u>	<u>\$ 39,029,953.00</u>	<u>\$ 45,604,884.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 2,441,882.00</u>	<u>\$ 2,135,711.00</u>	<u>\$ 2,271,380.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	1370.33%	1827.49%	2007.81%

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2020

Changes of Benefit Terms - None

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

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	ESEA Consolidated			I, D. E. I.A. -- Part B			Total Brought Forward
	Total	Title I Grants to Local Educational Agencies	Supporting Effective Instruction State Grants (Title II, Part A)	Student Support & Academic Achievement Title (IV)	Special Education Grants to States		
					Basic	Preschool	
REVENUES:							
Federal Sources	\$ 477,688.46	\$ 201,348.46	\$ 33,086.00	\$ 13,598.00	\$ 211,068.00	\$ 16,088.00	\$ 2,500.00
State Sources	1,740,066.79						1,740,066.79
Local Sources	16,334.66						16,334.66
Total Revenues	2,234,089.91	201,348.46	33,086.00	13,598.00	211,068.00	16,088.00	1,758,901.45
EXPENDITURES:							
Instruction:							
Salaries	736,750.25	146,510.26					590,239.99
Other Salaries for Instruction	168,935.15						168,935.15
Purchased Educational and Technical Services	2,500.00						2,500.00
Purchased Education Services - Contracted Pre-K	757.75						757.75
Other Purchased Services	227,156.00				211,068.00	16,088.00	
General Supplies	30,923.01	793.20					30,129.81
Total Instruction	1,167,022.16	147,303.46			211,068.00	16,088.00	792,562.70
Support Services:							
Salaries- Support	10,917.00	10,917.00					
Salaries of Supervisors of Instruction	16,994.88						16,994.88
Salaries of Program Directors	71,869.20						71,869.20
Salaries of Other Professional Staff	101,196.14						101,196.14
Salaries of Secretarial and Clerical Assistants	30,588.71						30,588.71
Salaries of Community Parent Involvement Specialists	10,904.29						10,904.29
Salaries of Master Teachers	78,593.20						78,593.20
Personal Services-Employee Benefits	314,201.19	43,128.00					271,073.19
Professional Technical Services	39,113.00		25,515.00	13,598.00			
Other Purchased Professional - Education Services	15,752.00						15,752.00
Contract Services - Transportation (Between Home and School)	193,917.10						193,917.10
Contract Services - Transportation (Field Trips)	1,192.00						1,192.00
Travel	7,571.00		7,571.00				
Supplies and Materials	6,263.35						6,263.35
Other Objects	223,709.69						223,709.69
Total Support Services	1,122,782.75	54,045.00	33,086.00	13,598.00			1,022,053.75
Facilities Acquisition and Construction Services:							
Non Instructional Equipment	7,680.00						7,680.00
Total Facilities Acquisition and Construction Services	7,680.00						7,680.00
Total Expenditures	2,297,484.91	201,348.46	33,086.00	13,598.00	211,068.00	16,088.00	1,822,296.45
Other Financing Sources (Uses)							
Transfer in from General Fund	63,395.00						63,395.00
Total Other Financing Sources (Uses)	2,234,089.91	201,348.46	33,086.00	13,598.00	211,068.00	16,088.00	1,758,901.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-

(Continued)

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

	Total Carried <u>Forward</u>	CARES Emergency <u>Relief Grant</u>	Preschool Expansion <u>Grant</u>	Home and School <u>Grants</u>	Women's Club Mini <u>Grants</u>	Southern Coastal Wellness <u>Grant</u>
REVENUES:						
Federal Sources	\$ 2,500.00	\$ 2,500.00				
State Sources	1,740,066.79		\$ 1,740,066.79			
Local Sources	16,334.66			\$ 11,099.13	\$ 2,143.31	\$ 3,092.22
Total Revenues	1,758,901.45	2,500.00	1,740,066.79	11,099.13	2,143.31	3,092.22
EXPENDITURES:						
Instruction:						
Salaries	590,239.99		585,882.13	4,357.86		
Other Salaries for Instruction	168,935.15		168,935.15			
Purchased Educational and Technical Services	2,500.00	2,500.00				
Purchased Education Services - Contracted Pre-K	757.75		757.75			
Other Purchased Services						
General Supplies	30,129.81		21,945.23	6,041.27	2,143.31	
Total Instruction	792,562.70	2,500.00	777,520.26	10,399.13	2,143.31	
Support Services:						
Salaries- Support						
Salaries of Supervisors of Instruction	16,994.88		16,994.88			
Salaries of Program Directors	71,869.20		71,869.20			
Salaries of Other Professional Staff	101,196.14		101,196.14			
Salaries of Secretarial and Clerical Assistants	30,588.71		30,588.71			
Salaries of Community Parent Involvement Specialists	10,904.29		10,904.29			
Salaries of Master Teachers	78,593.20		78,593.20			
Personal Services-Employee Benefits	271,073.19		271,073.19			
Professional Technical Services						
Other Purchased Professional - Education Services	15,752.00		15,752.00			
Contract Services - Transportation (Between Home and School)	193,917.10		193,917.10			
Contract Services - Transportation (Field Trips) Travel	1,192.00		1,192.00			
Supplies and Materials	6,263.35		2,471.13	700.00		3,092.22
Other Objects	223,709.69		223,709.69			
Total Support Services	1,022,053.75		1,018,261.53	700.00		3,092.22
Facilities Acquisition and Construction Services:						
Non Instructional Equipment	7,680.00		7,680.00			
Total Facilities Acquisition and Construction Services	7,680.00		7,680.00			
Total Expenditures	1,822,296.45	2,500.00	1,803,461.79	11,099.13	2,143.31	3,092.22
Other Financing Sources (Uses)						
Transfer in from General Fund	63,395.00		63,395.00			
Total Other Financing Sources (Uses)	1,758,901.45	2,500.00	1,740,066.79	11,099.13	2,143.31	3,092.22
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Statement of Preschool Expansion Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 634,607.00	\$ 585,882.13	\$ 48,724.87
Other Salaries for Instruction	196,856.00	168,935.15	27,920.85
Purchased Professional Educational Services	20,000.00	757.75	19,242.25
General Supplies	26,620.00	21,945.23	4,674.77
Other Objects	3,000.00		3,000.00
Total Instruction	<u>881,083.00</u>	<u>777,520.26</u>	<u>103,562.74</u>
Support Services:			
Salaries of Supervisors of Instruction	17,012.00	16,994.88	17.12
Salaries of Program Directors	71,870.00	71,869.20	0.80
Salaries of Other Professional Staff	131,919.00	101,196.14	30,722.86
Salaries of Secretarial and Clerical Assistants	42,555.00	30,588.71	11,966.29
Other Salaries	2,900.00		2,900.00
Salaries of Community Specialist	24,500.00	10,904.29	13,595.71
Salaries of Master Teachers	78,655.00	78,593.20	61.80
Personal Services - Employee Benefits	390,140.00	271,073.19	119,066.81
Other Purchased Professional Educational Services	30,000.00	15,752.00	14,248.00
Other Purchased Professional Services	2,000.00		2,000.00
Cleaning Repair and Maintenance Services	5,000.00		5,000.00
Contract Services - Transportation	197,500.00	195,109.10	2,390.90
Travel	42,039.00		42,039.00
Supplies and Materials	20,161.00	2,471.13	17,689.87
Other Objects	300,000.00	223,709.69	76,290.31
Total Support Services	<u>1,356,251.00</u>	<u>1,018,261.53</u>	<u>337,989.47</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment	2,500.00		2,500.00
Noninstructional Equipment	7,680.00	7,680.00	
Total Facilities Acquisition and Construction Services	<u>10,180.00</u>	<u>7,680.00</u>	<u>2,500.00</u>
Total Expenditures	<u>\$ 2,247,514.00</u>	<u>\$ 1,803,461.79</u>	<u>\$ 444,052.21</u>

Calculation of Budget and Carryover

Total revised 2019-20 Preschool Education Aid Allocation	\$ 2,051,259.00
Total 2019-20 Preschool Education Expansion Aid Allocation	
Add: Actual ECPA/PEA Carryover (June 30, 2019)	360,490.09
Add: Positive Liquidation of Prior Year Encumbrances	
Add: Local Sources - Preschool Tuition	
Add: Budgeted Transfer from General Fund 2019-2020	<u>63,395.00</u>
Total Preschool Education Funds Available for 2019-20 Budget	2,475,144.09
Less: 2019-20 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>2,247,514.00</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2020	227,630.09
Add: June 30, 2020 Unexpended Preschool Education Aid	<u>444,052.21</u>
2019-20 Carryover - Preschool Education Aid/Preschool	<u>\$ 671,682.30</u>
2019-20 Preschool Education Aid Carryover Budgeted for Preschool Programs 2020-21	<u>\$ 360,490.00</u>

CAPITAL PROJECTS FUND

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2020

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropiations</u>	<u>Expenditures to Date</u>		<u>Canceled</u>	<u>Unexpended Balance June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Waterford Elementary School - Various Unbundled Project	6/20/2014	\$ 6,494,501.00	\$ 5,078,216.90			\$ 1,416,284.10
Thomas Richards Elementary School - Various Unbundled Project	12/19/2014	2,600,520.00	2,407,303.41			193,216.59
Atco Elementary School - Various Unbundled Project	12/19/2014	2,655,631.00	2,062,989.59		\$ (592,641.41)	.
		<u>\$ 11,750,652.00</u>	<u>\$ 9,548,509.90</u>	<u>\$ -</u>	<u>\$ (592,641.41)</u>	<u>\$ 1,609,500.69</u>
Reconciliation to Governmental Funds Statements (GAAP):						
Unexpended Balance as of June 30, 2020						\$ 1,609,500.69
ROD Grant Revenue Not Recognized on GAAP Basis						(1,609,500.69)
Fund Balance per Governmental Funds (GAAP)						<u>\$ -</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2020

Revenues and Other Financing Sources	
State Sources	\$ (296,567.74)
Total Revenues	(296,567.74)
Expenditures and Other Financing Uses	
Expenditures:	
Construction Services	-
Total Expenditures	-
Other Financing Uses:	
Transferred to General Fund	(296,073.67)
Total Expenditures and Other Financing Uses	(296,073.67)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(592,641.41)
Fund Balance, July 1	2,202,142.10
Fund Balance, June 30	\$ 1,609,500.69
Reconciliation to Governmental Funds Statements (GAAP):	
Fund Balance as of June 30, 2020	\$ 1,609,500.69
ROD Grant Revenue Not Recognized on GAAP Basis	(1,609,500.69)
Fund Balance per Governmental Funds (GAAP)	\$ -

Note - For F-2 exhibits, ROD grant awards are recognized as revenue and encumbrances are not included in expenditures.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, Project Balance and Project Status
Waterford Elementary School Various Unbundled Project
From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Regular Operating District Grant	\$ 3,184,884.00		\$ 3,184,884.00	\$ 3,184,884.00
Capital Outlay Transfer to Capital Projects	2,399,047.00		2,399,047.00	2,399,047.00
Capital Reserve Transfer to Capital Projects Fund	910,570.00		910,570.00	910,570.00
Total Revenues	6,494,501.00		6,494,501.00	6,494,501.00
Expenditures and Other Financing Uses				
Architecture and Engineering Services	510,486.95		510,486.95	1,298,900.00
Construction Services	4,567,729.95		4,567,729.95	5,195,601.00
Total Expenditures	5,078,216.90		5,078,216.90	6,494,501.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,416,284.10	\$ -	\$ 1,416,284.10	\$ -

Designated for Subsequent Years Expenditures

\$ 1,416,284.10

Additional Project Information

DOE Project Number	5560-100-14-1003
SDA Project Number	5560-100-14-G3FC
Grant Date	6/20/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 6,494,501.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 6,494,501.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	78%
Original Target Completion Date	8/31/2014
Revised Target Completion Date	6/30/2018

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status
 Thomas Richards Elementary School Various Unbundled Project
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Regular Operating District Grant	\$ 1,275,287.00		\$ 1,275,287.00	\$ 1,275,287.00
Local Source - Capital Lease	1,325,233.00		1,325,233.00	1,325,233.00
Total Revenues	2,600,520.00		2,600,520.00	2,600,520.00
Expenditures and Other Financing Uses				
Architecture and Engineering Services	155,017.40		155,017.40	454,211.70
Legal Services	8,522.00		8,522.00	10,000.00
Purchased Professional and Technical Services	60,924.80		60,924.80	55,892.30
Construction Services	2,182,839.21		2,182,839.21	2,080,416.00
Total Expenditures	2,407,303.41		2,407,303.41	2,600,520.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 193,216.59</u>	<u>\$ -</u>	<u>\$ 193,216.59</u>	<u>\$ -</u>

Designated for Subsequent Years Expenditures

\$ 193,216.59

Additional Project Information

DOE Project Number	5560-060-14-1002
SDA Project Number	5560-060-14-G3FB
Grant Date	12/19/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 2,600,520.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 2,600,520.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	93%
Original Target Completion Date	8/31/2016
Revised Target Completion Date	6/30/2018

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status
 Atco Elementary School Various Unbundled Project
 From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Regular Operating District Grant	\$ 1,302,313.00	\$ (296,567.74)	\$ 1,005,745.26	\$ 1,005,745.26
Local Source - Capital Lease	1,353,318.00	(296,073.67)	1,057,244.33	1,057,244.33
Total Revenues	2,655,631.00	(592,641.41)	2,062,989.59	2,062,989.59
Expenditures and Other Financing Uses				
Architecture and Engineering Services	153,064.50		153,064.50	153,064.50
Legal Services	8,522.00		8,522.00	8,522.00
Purchased Professional and Technical Services	51,706.85		51,706.85	51,706.85
Construction Services	1,849,696.24		1,849,696.24	1,849,696.24
Total Expenditures	2,062,989.59		2,062,989.59	2,062,989.59
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 592,641.41	\$ (592,641.41)	\$ -	\$ -

Designated for Subsequent Years Expenditures

\$ -

Additional Project Information

DOE Project Number	5560-040-14-1001
SDA Project Number	5560-040-14-G3FA
Grant Date	12/19/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 2,655,631.00
Additional Authorized Cost	(592,641.41)
Revised Authorized Cost	\$ 2,062,989.59
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100%
Original Target Completion Date	8/31/2016
Revised Target Completion Date	6/30/2018

PROPRIETARY FUNDS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Statement of Net Position
June 30, 2020

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 23,989.01
Accounts Receivable:	
State	7,385.40
Federal	18,965.52
Other	6,112.51
Inventory	<u>26,284.64</u>
Total Current Assets	<u>82,737.08</u>
Noncurrent Assets:	
Equipment	210,276.28
Less Accumulated Depreciation	<u>(156,738.62)</u>
Total Noncurrent Assets	<u>53,537.66</u>
Total Assets	<u>136,274.74</u>
LIABILITIES:	
Current Liabilities:	
Interfund Payable:	
General Fund	22,000.00
Unearned Revenue	7,812.00
Accounts Payable	<u>5,208.19</u>
Total Current Liabilities	<u>35,020.19</u>
NET POSITION:	
Net Investment in Capital Assets	53,537.66
Unrestricted	<u>47,716.89</u>
Total Net Position	<u>\$ 101,254.55</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Statement of Revenues, Expenditures and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>
OPERATING REVENUES:	
Local Sources:	
Daily Sales - Reimbursable Programs:	
School Breakfast Program	\$ 5,329.93
School Lunch Program	67,245.89
Daily Sales Non-Reimbursable Programs	26,264.55
Special Functions	<u>3,775.89</u>
 Total Operating Revenue	 <u>102,616.26</u>
OPERATING EXPENSES:	
Salaries	96,083.28
Employee Benefits	17,508.90
Purchased Professional and Technical Services	32,030.04
Other Purchases Services (400 and 500 Series)	4,115.84
Cost of Goods Sold -- Non-Reimbursable	8,828.58
Cost of Goods Sold -- Reimbursable	101,142.66
Supplies and Materials	9,552.99
Depreciation	7,399.04
Other Objects	<u>3,780.48</u>
 Total Operating Expenses	 <u>280,441.81</u>
 Operating Income (Loss)	 <u>(177,825.55)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	10,075.80
Federal Sources:	
National School Lunch Program	121,116.32
School Breakfast Program	51,796.52
Food Distribution Program	<u>30,866.07</u>
 Total Nonoperating Revenues (Expenses)	 <u>213,854.71</u>
 Income (Loss) before Contributions and Transfers	 <u>36,029.16</u>
Contributions and Transfers:	
Transfer of Expenditures Paid by Current Fund	<u>5,450.80</u>
 Total Contributions and Transfers	 <u>5,450.80</u>
 Change in Net Position	 41,479.96
 Net Position - July 1	 <u>59,774.59</u>
 Net Position - June 30	 <u><u>\$ 101,254.55</u></u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 105,143.20
Payments to Employees	(96,083.28)
Payments for Employee Benefits	(17,508.90)
Payments to Suppliers	<u>(135,043.02)</u>
Net Cash Provided by (used for) Operating Activities	<u>(143,492.00)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	2,886.38
Federal Sources	163,168.37
Operating Subsidies and Transfers to Other Funds	<u>312.10</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>166,366.85</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,874.85
Cash and Cash Equivalents, July 1	<u>1,114.16</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 23,989.01</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	<u>\$ (177,825.55)</u>
Adjustments to Reconcile Operating Income (Loss)	
to Cash Provided (Used) by Operating Activities:	
Depreciation and Net Amortization	7,399.04
Food Distribution Program	30,866.07
Change in Assets and Liabilities:	
(Increase) / Decrease in Accounts Receivable	(3,667.50)
(Increase) / Decrease in Inventory	(11,666.69)
Increase / (Decrease) in Unearned Revenue	6,194.44
Increase / (Decrease) in Accounts Payable	<u>5,208.19</u>
Total Adjustments	<u>34,333.55</u>
Net Cash Provided (Used) in Operating Activities	<u><u>\$ (143,492.00)</u></u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Internal Service Funds
Statement of Net Position
June 30, 2020

	Tuition
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 7,143.25
Accounts Receivable:	
State	3,290.40
Other	57,095.29
Total Current Assets	67,528.94
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable - General Fund	67,528.94
Total Current Liabilities	67,528.94
NET POSITION:	
Unrestricted	
Total Net Position	\$ -

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Internal Service Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	Tuition
OPERATING REVENUES:	
Charges for Services:	
Services Provided to Other Boards of Education	\$ 73,589.88
Miscellaneous	4,878.01
Total Operating Revenues	78,467.89
 OPERATING EXPENSES:	
Tuition	73,589.88
Insurance	4,878.01
Total Operating Expenses	78,467.89
Change in Net Position	-
Net Position - July 1	-
Net Position - June 30	\$ -

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Internal Service Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Tuition
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers and Other Funds	\$ 36,141.82
Payments to Suppliers	(28,998.53)
Net Cash Provided by (used for) Operating Activities	7,143.29
Cash and Cash Equivalents, July 1	
Cash and Cash Equivalents, June 30	\$ 7,143.29
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating income (loss)	-
Adjustments to reconcile operating income (loss) to net cash provided by	
(used for) operating activities	
(Increase) decrease in accounts receivable, net	\$ (37,448.06)
Increase (decrease) in accounts payable	44,591.35
Total adjustments	7,143.29
Net Cash Provided (Used) in Operating Activities	\$ 7,143.29

FIDUCIARY FUNDS

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

	Private-Purpose Trust Fund	Agency Funds		Totals
	Unemployment Compensation Trust	Student Activity	Payroll	
ASSETS:				
Cash and Cash Equivalents	\$ 22,071.25	\$ 6,290.82	\$ 168,571.74	\$ 196,933.81
Intrafund Accounts Receivable:				
Unemployment Trust	6,480.77			6,480.77
Interfund Accounts Receivable:				
General Fund		370.93		370.93
Accounts Receivable -- Other			400.00	400.00
Total Assets	<u>28,552.02</u>	<u>\$ 6,661.75</u>	<u>\$ 168,971.74</u>	<u>204,185.51</u>
LIABILITIES:				
Payroll Deductions and Withholdings			\$ 154,669.58	154,669.58
Intrafund Payable:				
Unemployment Trust			6,480.77	6,480.77
Interfund Payable:				
General Fund			7,821.39	7,821.39
Intergovernmental Accounts Payable:				
State	2,285.67			2,285.67
Payable to Student Groups		\$ 6,661.75		6,661.75
Total Liabilities	<u>2,285.67</u>	<u>\$ 6,661.75</u>	<u>\$ 168,971.74</u>	<u>177,919.16</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	<u>26,266.35</u>			<u>26,266.35</u>
Total Net Position	<u>\$ 26,266.35</u>			<u>\$ 26,266.35</u>

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

	Private-Purpose Trust Fund
	Unemployment Compensation Trust
ADDITIONS:	
Investment Earnings:	
Interest on Investments	\$ 142.52
Payroll Deductions	18,346.89
Total Additions	18,489.41
DEDUCTIONS:	
Unemployment Compensation Insurance Claims	12,286.12
Total Deductions	12,286.12
Change in Net Position	6,203.29
Net Position -- July 1	20,063.06
Net Position -- June 30	\$ 26,266.35

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>
ELEMENTARY SCHOOLS:				
Waterford Elementary Schools	<u>\$ 5,722.29</u>	<u>\$ 7,918.93</u>	<u>\$ 6,979.47</u>	<u>\$ 6,661.75</u>
Total Student Activity	<u><u>\$ 5,722.29</u></u>	<u><u>\$ 7,918.93</u></u>	<u><u>\$ 6,979.47</u></u>	<u><u>\$ 6,661.75</u></u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
ASSETS:				
Cash and Cash Equivalents	\$ 112,045.81	\$ 13,488,292.87	\$ 13,431,766.94	\$ 168,571.74
Accounts Receivable--Other		<u>400.00</u>		<u>400.00</u>
Total Assets	<u>\$ 112,045.81</u>	<u>\$ 13,488,692.87</u>	<u>\$ 13,431,766.94</u>	<u>\$ 168,971.74</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 105,138.51	\$ 6,937,170.04	\$ 6,887,638.97	\$ 154,669.58
Intrafund Accounts Payable:				
Unemployment Trust Fund	868.85	23,625.47	18,013.55	6,480.77
Interfund Accounts Payable:				
General Fund	5,823.33	88,431.45	86,433.39	7,821.39
Internal Service Fund	215.12		215.12	
Net Payroll		<u>6,439,465.91</u>	<u>6,439,465.91</u>	
Total Liabilities	<u>\$ 112,045.81</u>	<u>\$ 13,488,692.87</u>	<u>\$ 13,431,766.94</u>	<u>\$ 168,971.74</u>

LONG-TERM DEBT

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2020

	Date of <u>Issue</u>	Amount of <u>Issue</u>	<u>Annual Maturities</u>		Interest <u>Rate</u>	Balance <u>June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Retirement of Unfunded Incentive Programs	07/29/03	\$ 790,000.00	10/01/19	\$ 30,000.00	4.48%	<u>\$ 30,000.00</u>	<u>\$ -</u>	<u>\$ 30,000.00</u>	<u>\$ -</u>
						Recapitulation of Retirement:			
						Cash Disbursement \$ 24,178.69			
						Cancellation of Principal Balance <u>5,821.31</u>			
						<u>\$ 30,000.00</u>			

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2020

<u>SERIES</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding July 1, 2019</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2020</u>
				<u>Principal</u>	<u>Interest</u>				
Atco Elementary and Thomas Richards Improvements Lease	8/15/2014	5 years	1.560%	\$ 2,678,551.00	\$ 126,649.65	\$ 552,422.14		\$ 552,422.14	
Go Math Instructional Material Lease	4/15/2017	3 years	4.070%	54,928.12	3,387.29	18,678.28		18,678.28	
LED Lighting Project Lease	4/15/2017	4 years	4.170%	85,788.18	7,257.94	43,766.80		21,436.45	\$ 22,330.35
						<u>\$ 614,867.22</u>	<u>\$ -</u>	<u>\$ 592,536.87</u>	<u>\$ 22,330.35</u>

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 30,420.00		\$ 30,420.00	\$ 30,420.00	
Total Revenues	<u>30,420.00</u>		<u>30,420.00</u>	<u>30,420.00</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	672.00		672.00	541.60	\$ 130.40
Redemption of Principal	<u>30,000.00</u>		<u>30,000.00</u>	<u>24,178.69</u>	<u>5,821.31</u>
Total Regular Debt Service	<u>30,672.00</u>		<u>30,672.00</u>	<u>24,720.29</u>	<u>5,951.71</u>
Total Expenditures	<u>30,672.00</u>		<u>30,672.00</u>	<u>24,720.29</u>	<u>5,951.71</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(252.00)		(252.00)	5,699.71	5,951.71
Fund Balance, July 1	<u>513.02</u>		<u>513.02</u>	<u>513.02</u>	
Fund Balance, June 30	<u>\$ 261.02</u>	<u>\$ -</u>	<u>\$ 261.02</u>	<u>\$ 6,212.73</u>	<u>\$ 5,951.71</u>

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2020	2019	2018	2017	2016	2015*	2014	2013**	2012	2011
Governmental Activities										
Net Investment in Capital Assets	\$ 12,146,685.24	\$ 11,832,718.34	\$ 11,485,977.40	\$ 11,476,098.32	\$ 10,682,290.26	\$ 5,403,749.90	\$ 4,416,255.08	\$ 3,836,226.00	\$ 3,711,887.65	\$ 3,822,874.37
Restricted	1,515,114.33	1,161,754.77	3,203.11	80,841.21	441,563.88	2,666,278.48	6,451,681.49	3,356,588.00	164,152.74	105,476.75
Unrestricted (Deficit)	<u>(2,148,478.92)</u>	<u>(2,223,362.38)</u>	<u>(2,267,835.62)</u>	<u>(3,138,255.13)</u>	<u>(2,790,933.54)</u>	<u>(2,605,320.07)</u>	<u>(792,599.04)</u>	<u>(511,240.00)</u>	<u>1,226,497.82</u>	<u>436,862.51</u>
Total Governmental Activities Net Position	<u>\$ 11,513,320.65</u>	<u>\$ 10,771,110.73</u>	<u>\$ 9,221,344.89</u>	<u>\$ 8,418,684.40</u>	<u>\$ 8,332,920.60</u>	<u>\$ 5,464,708.31</u>	<u>\$ 10,075,337.53</u>	<u>\$ 6,681,574.00</u>	<u>\$ 5,102,538.21</u>	<u>\$ 4,365,213.63</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 53,537.66	\$ 55,798.00	\$ 61,397.64	\$ 69,390.16	\$ 51,922.30	\$ 34,900.24	\$ 7,568.76	\$ 5,263.00	\$ 6,961.81	\$ 8,904.15
Unrestricted	<u>47,716.89</u>	<u>5,834.68</u>	<u>1,831.39</u>	<u>3,576.63</u>	<u>19,875.83</u>	<u>38,222.76</u>	<u>41,701.00</u>	<u>21,079.72</u>	<u>19,557.60</u>	<u>19,557.60</u>
Total Business-type Activities Net Position	<u>\$ 101,254.55</u>	<u>\$ 55,798.00</u>	<u>\$ 67,232.32</u>	<u>\$ 71,221.55</u>	<u>\$ 55,498.93</u>	<u>\$ 54,776.07</u>	<u>\$ 45,791.52</u>	<u>\$ 46,964.00</u>	<u>\$ 28,041.53</u>	<u>\$ 28,461.75</u>
District-wide										
Net Investment in Capital Assets	\$ 12,200,222.90	\$ 11,888,516.34	\$ 11,547,375.04	\$ 11,545,488.48	\$ 10,734,212.56	\$ 5,438,650.14	\$ 4,423,823.84	\$ 3,841,489.00	\$ 3,718,849.46	\$ 3,831,778.52
Restricted	1,515,114.33	1,161,754.77	3,203.11	80,841.21	441,563.88	2,666,278.48	6,451,681.49	3,356,588.00	164,152.74	105,476.75
Unrestricted (Deficit)	<u>(2,100,762.03)</u>	<u>(2,223,362.38)</u>	<u>(2,262,000.94)</u>	<u>(3,136,423.74)</u>	<u>(2,787,356.91)</u>	<u>(2,585,444.24)</u>	<u>(754,376.28)</u>	<u>(469,539.00)</u>	<u>1,247,577.54</u>	<u>456,420.11</u>
Total District-wide Net Position	<u>\$ 11,614,575.20</u>	<u>\$ 10,826,908.73</u>	<u>\$ 9,288,577.21</u>	<u>\$ 8,489,905.95</u>	<u>\$ 8,388,419.53</u>	<u>\$ 5,519,484.38</u>	<u>\$ 10,121,129.05</u>	<u>\$ 6,728,538.00</u>	<u>\$ 5,130,579.74</u>	<u>\$ 4,393,675.38</u>

*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*

**In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

Source: Comprehensive Annual Financial Report Exhibit A-1

WATERFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013**</u>	<u>2012</u>	<u>2011</u>
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 5,820,485.09	\$ 5,321,119.60	\$ 4,518,242.89	\$ 5,092,967.69	\$ 4,507,234.93	\$ 4,350,722.94	\$ 4,623,216.76	\$ 3,878,073.00	\$ 4,117,631.70	\$ 4,887,030.76
Special Education	1,911,250.10	1,779,450.16	1,585,337.03	1,568,897.25	1,349,643.79	1,366,144.97	1,480,696.95	1,274,110.00	1,337,358.04	1,405,173.55
Other Special Education	1,086,613.76	1,208,256.42	1,104,622.78	796,188.04	797,910.90	688,488.91	640,757.60	509,436.00	438,820.57	398,154.12
School Sponsored Cocurricular Activities	2,742.29	5,249.16	2,832.45	1,702.50	650.00	718.75	356.25			
Community Service Programs		255.90		185.25						
Summer School	29,117.95									
Support Services:										
Tuition	10,445,144.01	10,039,580.87	10,704,959.27	10,980,866.23	10,768,837.70	10,216,623.81	10,419,326.01	10,269,073.00	10,608,581.55	10,937,945.12
Student & Instruction Related Services	2,707,586.61	2,292,137.16	1,968,374.88	2,464,649.05	1,715,943.98	2,090,212.11	2,301,706.03	1,877,692.00	1,813,029.56	2,268,833.97
School Administrative Services	1,786,986.14	1,877,120.76	1,594,794.14	1,700,781.38	1,314,064.55	1,083,664.55	1,082,468.08	1,044,244.00	1,069,393.73	1,080,482.23
Plant Operations and Maintenance	2,469,698.04	3,036,144.31	2,808,224.09	2,453,480.89	1,987,506.02	1,439,863.21	1,579,484.58	1,266,805.00	1,620,204.25	1,254,758.03
Pupil Transportation	2,149,415.43	2,221,974.68	2,137,619.70	2,275,963.64	2,242,024.60	2,091,873.64	2,026,553.56	1,881,707.00	1,800,939.58	1,907,558.79
Special Schools		47,551.99	43,474.49	35,416.78	36,539.64	53,454.57	47,951.33	40,446.00	45,386.73	39,566.33
Unallocated Benefits	630,540.22	186,250.92	385,533.46	572,279.43	2,413,867.33	2,126,966.48	1,982,102.18	1,788,518.00	1,795,707.35	371,023.25
Reimbursed TPAF and Social Security	5,526,926.62	5,591,729.81	6,674,474.59	5,576,755.56	3,878,970.77	3,061,952.02	1,203,772.20	1,302,106.00	1,088,674.86	906,437.64
Transfer to Charter Schools	26,716.00	11,272.00	3,790.00	9,963.00	31,254.00	16,815.00	9,778.00	9,506.00		
Amortization of Debt Issuance Costs								1,073.00	1,317.56	1,317.56
Interest on Long-term Debt	2,803.88	14,167.10	27,066.63	33,083.90	3,182.52	51,506.36	13,953.17	18,208.00	21,218.55	25,489.80
Unallocated Compensated Absences								(10,915.00)		
Unallocated Depreciation								373,396.00		
Total Governmental Activities Expenses	34,596,026.14	33,632,260.84	33,559,346.40	33,563,180.59	31,047,630.73	28,639,007.32	27,412,122.70	25,523,478.00	25,758,264.03	25,483,771.15
Business-type Activities:										
Food Service	280,441.81	298,866.37	331,705.32	330,763.87	336,028.82	339,438.63	335,195.33	315,982.00	372,074.51	348,542.23
School Age Child Care				707.49	241,664.08	213,642.63	262,119.65	233,149.00	225,255.95	217,176.31
Adult Piano			182.30	473.61	592.10	226.09	538.27	582.00	983.84	1,003.95
Total Business-type Activities Expense	280,441.81	298,866.37	331,887.62	331,944.97	578,285.00	553,307.35	597,853.25	549,713.00	598,314.30	566,722.49
Total District Expenses	\$ 34,876,467.95	\$ 33,931,127.21	\$ 33,891,234.02	\$ 33,895,125.56	\$ 31,625,915.73	\$ 29,192,314.67	\$ 28,009,975.95	\$ 26,073,191.00	\$ 26,356,578.33	\$ 26,050,493.64
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 7,810,951.19	\$ 7,890,868.41	\$ 7,206,165.13	\$ 6,100,431.70	\$ 4,449,171.69	\$ 3,600,698.45	\$ 1,893,160.87	\$ 785,014.00	\$ 1,924,745.91	\$ 1,731,927.65
Charges for services	73,589.88	50,409.95	180,128.18	241,038.50						
Capital Grants and Contributions									50,640.00	
Total Governmental Activities Program Revenues	7,884,541.07	7,941,278.36	7,386,293.31	6,341,470.20	4,449,171.69	3,600,698.45	1,893,160.87	785,014.00	1,975,385.91	1,731,927.65
Business-type activities:										
Charges for services										
Food Service	102,616.26	144,620.32	164,436.47	156,138.63	159,620.77	165,905.82	177,117.63	171,091.00	221,526.61	198,197.49
School Age Child Care					241,664.08	190,094.48	183,097.39	235,224.00	225,881.51	234,378.60
Adult Piano		12.49	209.00	517.00	605.00	231.00	550.00	594.00	1,001.00	1,364.00
Operating Grants and Contributions	213,854.71	148,646.41	163,252.92	164,627.71	177,095.11	182,489.55	180,701.89	161,289.00	148,459.70	146,709.59
Total Business-type Activities Program Revenues	316,470.97	293,279.22	327,898.39	321,283.34	578,984.96	538,720.85	541,466.91	568,198.00	596,868.82	580,649.68
Total District Program Revenues	\$ 8,201,012.04	\$ 8,234,557.58	\$ 7,714,191.70	\$ 6,662,753.54	\$ 5,028,156.65	\$ 4,139,419.30	\$ 2,434,627.78	\$ 1,353,212.00	\$ 2,572,254.73	\$ 2,312,577.33
Net (Expense)/Revenue										
Governmental Activities										
Governmental Activities	\$ (26,711,485.07)	\$ (25,690,982.48)	\$ (26,173,053.09)	\$ (27,221,710.39)	\$ (26,598,459.04)	\$ (25,038,308.87)	\$ (25,518,961.83)	\$ (24,738,464.00)	\$ (23,782,878.12)	\$ (23,751,843.50)
Business-type Activities	36,029.16	(5,587.15)	(3,989.23)	(10,661.63)	699.96	(14,586.50)	(56,386.34)	18,485.00	(1,445.48)	13,927.19
Total District-wide Net Expense	\$ (26,675,455.91)	\$ (25,696,569.63)	\$ (26,177,042.32)	\$ (27,232,372.02)	\$ (26,597,759.08)	\$ (25,052,895.37)	\$ (25,575,348.17)	\$ (24,719,979.00)	\$ (23,784,323.60)	\$ (23,737,916.31)

(Continued)

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013**</u>	<u>2012</u>	<u>2011</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 13,959,387.00	\$ 13,821,175.00	\$ 13,684,332.00	\$ 13,684,332.00	\$ 13,548,844.00	\$ 13,140,486.00	\$ 12,617,133.02	\$ 12,492,211.00	\$ 11,999,730.00	\$ 11,999,729.96
Taxes Levied for Debt Service	30,420.00	42,240.00	38,920.00	38,808.00	88,017.00	88,215.00	84,718.36	82,807.00	80,608.40	83,293.00
Unrestricted Federal & State Aid	12,793,391.64	12,950,058.37	12,952,798.13	12,989,861.48	12,828,143.52	12,784,890.85	12,692,103.77	13,628,962.00	12,244,496.23	11,459,338.48
Restricted Federal & State Aid			17,673.35	443,122.06	2,706,361.91	(2,791,699.42)	3,184,884.00			
Tuition Received	13,801.37	21,249.21	80,215.09	85,721.57	104,939.88	148,450.78	250,130.51	30,880.00	105,160.24	140,641.13
Investment Earnings	-	9,228.78			6,550.08	4,378.00	12,548.22	17,654.00	29,003.53	27,325.67
Miscellaneous Income	662,145.78	394,926.38	201,775.01	92,013.33	183,814.94	113,910.59	134,501.92	64,986.00	75,755.84	57,880.16
Cancellation of Prior Year Accounts Payable										660,598.07
Cancellation of Prior Year Accounts Receivable									(14,551.54)	
Transfers	(5,450.80)	1,870.58		(26,384.25)		(23,548.15)	(55,145.08)			
Total Governmental Activities	27,453,694.99	27,240,748.32	26,975,713.58	27,307,474.19	29,466,671.33	23,465,083.65	28,920,874.72	26,317,500.00	24,520,202.70	24,428,806.47
Business-type Activities:										
Investment Earnings		(1,870.58)			22.90	22.90	66.79	437.00	1,025.26	971.83
Transfers	5,450.80			26,384.25		23,548.15	55,145.08			
Total Business-type Activities	5,450.80	(1,870.58)		26,384.25	22.90	23,571.05	55,211.87	437.00	1,025.26	971.83
Total District-wide	\$ 27,459,145.79	\$ 27,238,877.74	\$ 26,975,713.58	\$ 27,333,858.44	\$ 29,466,694.23	\$ 23,488,654.70	\$ 28,976,086.59	\$ 26,317,937.00	\$ 24,521,227.96	\$ 24,429,778.30
Change in Net Position										
Governmental Activities	\$ 742,209.92	\$ 1,549,765.84	\$ 802,660.49	\$ 85,763.80	\$ 2,868,212.29	\$ (1,573,225.22)	\$ 3,401,912.89	\$ 1,579,036.00	\$ 737,324.58	\$ 676,962.97
Business-type Activities	41,479.96	(7,457.73)	(3,989.23)	15,722.62	722.86	8,984.55	(1,174.47)	18,922.00	(420.22)	14,899.02
Total District	\$ 783,689.88	\$ 1,542,308.11	\$ 798,671.26	\$ 101,486.42	\$ 2,868,935.15	\$ (1,564,240.67)	\$ 3,400,738.42	\$ 1,597,958.00	\$ 736,904.36	\$ 691,861.99

*Amounts for the year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

**In accordance with GASB 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

Source: Comprehensive Annual Financial Report Exhibit A-2

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

	<u>Fiscal Year Ending June 30.</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Restricted	\$ 1,340,010.63	\$ 991,094.45	\$ 344,486.09	\$ 77,528.55	\$ 433,344.25	\$ 502,438.87	\$ 2,134,798.86	\$ 3,356,521.00	\$ 1,362,729.21	\$ 114,604.54
Committed									108,278.00	18,311.08
Assigned	1,226,942.58	1,650,685.82	1,639,167.12	1,042,914.55	1,400,614.32	1,160,245.55	61,310.18		188,913.82	686,517.74
Unassigned (Deficit)	<u>458,834.58</u>	<u>74,646.84</u>	<u>(73,152.33)</u>	<u>(146,874.30)</u>	<u>(420,924.63)</u>	<u>(121,009.17)</u>	<u>(102,291.90)</u>	<u>(113,717.00)</u>	<u>565,152.81</u>	<u>632,550.30</u>
Total General Fund	<u>\$ 3,025,787.79</u>	<u>\$ 2,716,427.11</u>	<u>\$ 1,910,500.88</u>	<u>\$ 973,568.80</u>	<u>\$ 1,413,033.94</u>	<u>\$ 1,541,675.25</u>	<u>\$ 2,093,817.14</u>	<u>\$ 3,242,804.00</u>	<u>\$ 2,225,073.84</u>	<u>\$ 1,451,983.66</u>
All Other Governmental Funds										
Restricted Reported in:										
Special Revenue Fund	\$ 168,890.97	\$ 170,147.30	\$ 2,950.89	\$ 3,312.52	\$ 6,539.49	\$ 17,698.42	\$ 5,017.24		\$ 4,632.14	\$ 9,090.90
Capital Projects Fund					1,680.14	2,144,414.05				
Debt Service Fund	6,212.73	513.02	252.22	0.14		1,727.14	48.14	\$ 67.00	67.59	47.19
Committed Reported in:										
Capital Projects Fund							4,350,886.25			
Unassigned (Deficit) Reported in:										
Capital Projects Fund							(39,069.00)			
Total All Other Governmental Funds	<u>\$ 175,103.70</u>	<u>\$ 170,660.32</u>	<u>\$ 3,203.11</u>	<u>\$ 3,312.66</u>	<u>\$ 8,219.63</u>	<u>\$ 2,163,839.61</u>	<u>\$ 4,316,882.63</u>	<u>\$ 67.00</u>	<u>\$ 4,699.73</u>	<u>\$ 9,138.09</u>

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Local Sources	\$ 13,989,807.00	\$ 13,863,415.00	\$ 13,723,252.00	\$ 13,723,140.00	\$ 13,636,861.00	\$ 13,228,701.00	\$ 12,701,851.38	\$ 12,575,018.00	\$ 12,080,338.40	\$ 12,083,022.96
Tuition Charges	13,801.37	21,249.21	80,215.09	85,721.57	104,939.88	148,450.78	250,130.51	30,880.00	105,160.24	140,641.13
Miscellaneous	682,204.26	443,676.02	228,802.46	119,789.20	219,882.39	139,993.20	164,598.50	122,178.00	151,409.61	124,624.90
State Sources	16,840,252.22	17,120,120.56	15,046,679.56	15,197,954.66	17,087,190.68	14,365,635.60	17,054,737.20	13,718,802.00	13,025,023.47	12,498,803.79
Federal Sources	582,244.13	510,592.36	537,989.60	533,588.23	595,719.07	623,077.67	697,863.08	660,447.00	1,148,208.43	653,043.27
Total Revenue	<u>32,108,308.98</u>	<u>31,959,053.15</u>	<u>29,616,938.71</u>	<u>29,660,193.66</u>	<u>31,644,593.02</u>	<u>28,505,858.25</u>	<u>30,869,180.67</u>	<u>27,107,325.00</u>	<u>26,510,140.15</u>	<u>25,500,136.05</u>
Expenditures										
Instruction										
Regular Instruction	5,618,403.99	5,297,509.40	4,551,714.31	5,092,620.86	4,296,274.31	4,158,807.69	4,401,514.78	3,878,073.00	3,895,721.70	4,662,875.29
Special Education Instruction	1,911,250.10	1,779,450.16	1,585,337.03	1,568,897.25	1,349,643.79	1,366,144.97	1,480,696.95	1,274,110.00	1,337,358.04	1,405,173.55
Other Special Instruction	1,086,613.76	1,208,256.42	1,104,622.78	796,188.04	797,910.90	688,488.91	640,757.60	509,436.00	438,820.57	398,154.12
School Sponsored Cocurricular Activities	2,742.29	5,249.16	2,832.45	1,702.50	650.00	718.75	356.25			
Community Service Programs		255.90		185.25						
	29,117.95									
Support Services:										
Tuition	10,371,554.13	9,989,170.92	10,524,831.09	10,798,005.33	10,768,837.70	10,216,623.81	10,419,326.01	10,269,073.00	10,608,581.55	10,937,945.12
Student & Instruction Related Services	3,249,966.75	2,901,126.54	2,548,577.62	2,949,132.78	2,199,893.82	2,127,113.34	2,266,757.38	1,877,692.00	1,807,173.14	2,297,201.52
School Administrative Services	1,888,238.99	1,948,736.59	1,540,720.30	1,738,071.47	1,297,993.10	1,133,424.93	1,067,661.02	1,071,559.00	1,056,813.95	1,214,672.12
Plant Operations and Maintenance	2,073,416.90	2,408,928.67	2,151,242.52	2,011,748.03	1,826,182.65	1,335,270.87	1,260,001.65	1,266,805.00	1,610,955.99	1,253,627.90
Pupil Transportation	2,149,415.43	2,221,974.68	2,137,619.70	2,275,963.64	2,242,024.60	2,091,873.64	2,026,553.56	1,881,707.00	1,812,554.34	1,918,678.70
Unallocated Employee Benefits	626,692.12	264,996.49	264,783.77	197,727.73	2,252,384.42	2,119,057.48	1,978,426.06	1,788,518.00	1,795,707.35	371,023.25
Reimbursed TPAF Pension/Social Security	2,365,138.62	2,421,036.81	2,109,534.59	1,806,801.56	1,607,720.77	1,293,596.02	1,203,772.20	1,302,106.00	1,090,020.51	920,536.35
Special Schools	47,551.99	43,474.49	35,416.78	35,416.78	36,539.64	53,454.57	47,951.33	40,446.00	45,386.73	39,566.33
Transfer to Charter Schools	26,716.00	11,272.00	3,790.00	9,963.00	31,254.00	16,815.00	9,778.00	9,506.00		
Capital Outlay	365,066.80	440,045.36	158,155.79	828,384.14	5,133,480.61	3,993,236.03	2,226,825.05	837,757.00	147,254.92	16,108.24
Debt Service:										
Principal - Early Retirement Bonds	24,178.69	40,000.00	35,000.00	35,000.00	80,000.00	75,000.00	70,000.00	65,000.00	60,000.00	60,000.00
Interest on Early Retirement Bonds	541.60	1,979.20	3,667.92	5,488.00	8,064.00	11,536.00	14,737.13	17,808.00	20,588.00	23,294.64
Total Expenditures	<u>31,789,054.12</u>	<u>30,987,540.29</u>	<u>28,765,904.36</u>	<u>30,151,296.36</u>	<u>33,928,854.31</u>	<u>30,681,162.01</u>	<u>29,115,114.97</u>	<u>26,089,596.00</u>	<u>25,726,936.79</u>	<u>25,518,857.13</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	319,254.86	971,512.86	851,034.35	(491,102.70)	(2,284,261.29)	(2,175,303.76)	1,754,065.70	1,017,729.00	783,203.36	(18,721.08)
Other Financing Sources (Uses)										
Cancellation of Prior Year Revenue						(3,184,884.00)		(4,632.00)		
FEMA Disaster Grant				4,142.48						
Capital Leases (Non-budgeted)			85,788.18	54,928.12		2,678,551.00	68,016.20			
Operating Transfers In	252,704.75	528,227.36					(55,145.08)		150,000.00	660,598.08
Transfers from Capital Outlay to Capital Projects Fund							1,400,892.00			
Operating Transfers Out	(258,155.55)	(526,356.78)		(12,340.01)		(23,548.15)			(164,551.54)	
Total Other Financing Sources (Uses)	<u>(5,450.80)</u>	<u>1,870.58</u>	<u>85,788.18</u>	<u>46,730.59</u>	<u>(2,284,261.29)</u>	<u>(529,881.15)</u>	<u>1,413,763.12</u>	<u>(4,632.00)</u>	<u>(14,551.54)</u>	<u>660,598.08</u>
Net Change in Fund Balances	<u>\$ 313,804.06</u>	<u>\$ 973,383.44</u>	<u>\$ 936,822.53</u>	<u>\$ (444,372.11)</u>	<u>\$ (2,284,261.29)</u>	<u>\$ (2,705,184.91)</u>	<u>\$ 3,167,828.82</u>	<u>\$ 1,013,097.00</u>	<u>\$ 768,651.82</u>	<u>\$ 641,877.00</u>
Debt Service as a Percentage of Noncapital Expenditures	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Source: District Records										

WATERFORD TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Interest on Investments	\$ 34,023.95	\$ 69,837.86	\$ 23,382.15	\$ 5,244.44	\$ 6,549.99	\$ 4,270.45	\$ 11,637.73	\$ 18,097.00	\$ 28,896.18	\$ 27,232.72
Interest on Investments - Capital Reserve Account	11,047.55	9,228.78			0.09	107.55	910.49	617.00	107.35	92.95
Refund of Prior Year Expenditures	19,249.09	20,038.98	57,191.61	13,495.11	83,556.54	28,219.39	63,197.33	25,618.00	58,296.88	43,377.93
E-Rate Reimbursement	25,149.60	25,149.60	71,190.31	27,781.92	15,822.00	1,908.28	2,721.34			
Insurance Reimbursements		3,500.00				15,728.51			695.04	
Cancellation of Stale Checks	1,598.48									
Donations from Private Sources	19.84					3,736.35				
Jury Duty Reimbursement	50.00									
Prior Years Tuition Refunds	20,519.37									
Premium Proceeds on Grant Anticipation Note						2,179.00				
Miscellaneous Fines			1,321.39	63.22					1,114.60	1,190.36
Sale of Assets		30,300.00	2,992.50	693.01	3,754.52		174.93	3,101.00	559.00	
Use of Facilities	1,750.00	125.00			187.50	125.00	250.00	271.00	450.00	900.00
Miscellaneous Services Provided to Others			2,800.00	700.00		4,020.75	1,228.95	23,677.00	3,800.10	
Transportation Fees	28,264.54	10,276.37	35,173.68	47,262.60	91,653.31	45,312.13	61,912.13	16,070.00	15,298.98	3,697.82
New Jersey Clean Energy Rebate			8,085.00							
Recycling Revenues	690.00									
Revenue from Preschool Education Grant- Indirect Costs Reimbursement	223,709.69	235,698.57								
	<u>\$ 366,072.11</u>	<u>\$ 404,155.16</u>	<u>\$ 202,136.64</u>	<u>\$ 95,240.30</u>	<u>\$ 201,523.95</u>	<u>\$ 105,607.41</u>	<u>\$ 142,032.90</u>	<u>\$ 87,451.00</u>	<u>\$ 109,218.13</u>	<u>\$ 76,491.78</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

WATERFORD TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Req./Qual.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2020	\$ 14,162,700.00	\$ 627,559,500.00	\$ 14,293,200.00	\$ 45,957,900.00	\$ 1,295,400.00	\$ 3,601,400.00	\$ 706,870,100.00	\$ 200.00	\$ 706,870,300.00	\$ 119,789,300.00	\$ 782,570,628.00	\$ 1.979
2019	15,045,300.00	627,396,300.00	13,827,800.00	46,054,600.00	1,549,700.00	3,601,400.00	707,475,100.00	200.00	707,475,300.00	118,323,800.00	771,126,609.00	1.960
2018	14,843,100.00	626,041,400.00	13,602,000.00	46,720,900.00	1,345,900.00	3,601,400.00	706,154,700.00	200.00	706,154,900.00	115,837,000.00	763,031,236.00	1.943
2017	15,636,000.00	623,757,700.00	12,979,400.00	47,670,900.00	1,345,900.00	3,601,400.00	704,991,300.00	200.00	704,991,500.00	115,773,900.00	748,790,703.00	1.947
2016	15,380,400.00	619,688,900.00	17,079,100.00	48,594,700.00	1,739,900.00	2,443,800.00	704,926,800.00	200.00	704,927,000.00	114,783,400.00	752,071,484.00	1.935
2015 (3)	15,463,300.00	617,512,800.00	22,273,800.00	49,139,200.00	1,739,900.00	2,143,800.00	708,272,800.00	1,684,995.00	709,957,795.00	113,103,400.00	738,781,327.00	1.863
2014	10,532,600.00	415,318,600.00	14,685,700.00	29,326,400.00	1,146,000.00	2,394,900.00	473,404,200.00	1,003,315.00	474,407,515.00	54,566,900.00	771,675,143.00	2.677
2013	11,399,800.00	411,292,100.00	14,586,300.00	30,623,600.00	1,200,000.00	2,394,900.00	471,496,700.00	1,226,075.00	472,722,775.00	53,969,200.00	815,415,847.00	2.660
2012	12,435,200.00	408,983,600.00	13,816,700.00	30,640,300.00	1,225,400.00	2,394,900.00	469,496,100.00	1,111,951.00	470,608,051.00	53,801,500.00	871,284,321.00	2.567
2011	10,740,700.00	408,702,000.00	13,738,400.00	33,880,600.00	1,225,400.00	2,394,900.00	470,682,000.00	1,128,609.00	471,810,609.00	53,869,900.00	902,203,592.00	2.561

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation
Source: Municipal Tax Assessor

WATERFORD TOWNSHIP SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Waterford	County of Camden	
2020	\$ 1.975	\$ 0.004	\$ 1.979	\$ 1.138	\$ 0.862	\$ 3.979
2019	1.954	0.006	1.960	1.137	0.868	3.964
2018	1.938	0.006	1.943	1.100	0.892	3.935
2017	1.941	0.006	1.947	1.051	0.883	3.881
2016	1.922	0.012	1.935	0.997	0.861	3.793
2015 (3)	1.851	0.012	1.863	1.379	1.355	4.597
2014	2.660	0.018	2.677	1.356	1.353	5.386
2013	2.643	0.018	2.660	1.332	1.341	5.333
2012	2.550	0.017	2.567	1.292	1.282	5.141
2011	2.543	0.018	2.561	1.355	1.205	5.121

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

(2) Rates for debt service are based on each year's requirements.

(3) Revaluation

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as the prebudget year net budget increased by the cost of living or 2,5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

WATERFORD TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
National Amusement	\$ 2,948,500.00	1	0.42%	\$ 2,172,300.00	2	0.46%
Pliner Leon Inc	2,728,300.00	2	0.39%	1,271,400.00	3	0.27%
US Bank Trust NA	2,186,300.00	3	0.31%			
Atco Equities LLC (Rite Aid Corp)	2,090,500.00	4	0.30%	913,500.00	7	0.19%
Broadway Square Reality	2,000,000.00	5	0.28%	3,000,000.00	1	0.64%
Atco Dragway Enterprises LLC	1,949,400.00	7	0.28%	846,700.00	9	0.18%
Meisenzahl Partners, LLC	1,998,600.00	6	0.28%			N/A
Capview Income & Value Fund IV, LP	1,355,500.00	8	0.19%			N/A
Passarella, Richard	1,320,700.00	9	0.19%			N/A
UFP Eastern Div% UFP Berlin LLC	1,304,200.00	10	0.18%			N/A
NJ Bell Telephone Co.			N/A	1,128,609.00	4	0.24%
Mobile Field Office			N/A	976,500.00	5	0.21%
O'Hara James H C/O Shannon's			N/A	963,200.00	6	0.20%
Hayes Mill Associates			N/A	896,100.00	8	0.19%
Campbell Foundry Co.			N/A	806,900.00	10	0.17%
Total	<u>\$ 16,933,500.00</u>		<u>2.40%</u>	<u>\$ 10,802,909.00</u>		<u>1.93%</u>

Source: Municipal Tax Assessor

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2020	\$ 13,989,807.00	\$ 13,989,807.00	100.00%	-
2019	13,863,415.00	13,863,415.00	100.00%	-
2018	13,723,252.00	13,723,252.00	100.00%	-
2017	13,723,140.00	13,723,140.00	100.00%	-
2016	13,636,861.00	13,636,861.00	100.00%	-
2015	13,228,701.00	13,228,701.00	100.00%	-
2014	12,873,105.85	12,873,105.85	100.00%	-
2013	12,701,851.38	12,701,851.38	100.00%	-
2012	12,575,018.00	12,575,018.00	100.00%	-
2011	12,080,338.40	12,080,338.40	100.00%	-

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

WATERFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases	Grant Anticipation Notes	Capital Leases	Total District		
2020		\$ 22,330.35			\$ 22,330.35	Unavailable	Unavailable
2019	\$ 30,000.00	614,867.22	\$ 1,250,000.00		1,894,867.22	Unavailable	Unavailable
2018	70,000.00	121,325.41	1,250,000.00		1,441,325.41	0.249%	\$ 134.62
2017	105,000.00	1,714,531.96	1,250,000.00		3,069,531.96	0.549%	284.90
2016	140,000.00	2,200,308.05	2,750,000.00		5,090,308.05	0.958%	473.34
2015	220,000.00	2,732,598.68	1,500,000.00		4,452,598.68	0.861%	414.08
2014	295,000.00	68,016.20			363,016.20	0.072%	33.83
2013	365,000.00				365,000.00	0.075%	34.01
2012	430,000.00	27,314.99			457,314.99	0.095%	42.86
2011	490,000.00	65,188.54			555,188.54	0.118%	52.12

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

Sources:

- (1) District Records. Includes Early Retirement Incentive Plan (ERIP) refunding
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by municipality-estimated based upon 2010 census published

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita (2)</u>
2020	-		-	-	Unavailable
2019	\$ 30,000.00		\$ 30,000.00	0.00%	\$ 2.81
2018	70,000.00		70,000.00	0.01%	6.54
2017	105,000.00		105,000.00	0.01%	9.75
2016	140,000.00		140,000.00	0.02%	13.02
2015	220,000.00		220,000.00	0.03%	20.46
2014	295,000.00		295,000.00	0.06%	27.49
2013	365,000.00		365,000.00	0.08%	34.01
2012	430,000.00		430,000.00	0.09%	40.30
2011	490,000.00		490,000.00	0.10%	46.00

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

- (1) See Exhibit No. J-6 for property tax data.
- (2) Population data can be found in Exhibit No. J-14.

Source: District Records.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2019
Unaudited

Township of Waterford:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Waterford Township</u>
Municipal Debt: (1)				
Waterford Township School District				
Waterford Township Water and Sewer Utility	\$ 4,691,536.35	\$ 4,691,536.35		
Waterford Township	<u>10,524,243.07</u>	<u>12,697.50</u>	<u>\$ 10,511,545.57</u>	<u>\$ 10,511,545.57</u>
	<u>15,215,779.42</u>	<u>4,704,233.85</u>	<u>10,511,545.57</u>	<u>10,511,545.57</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	40,475,000.00	17,734,529.00 (3)	22,740,471.00	453,773.56 (5)
Notes	35,461,125.00		35,461,125.00	
Loan Agreement	340,001,133.00		340,001,133.00	6,784,535.10 (5)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>260,305,410.00</u>	<u>260,305,410.00 (4)</u>		
	<u>676,242,668.00</u>	<u>278,039,939.00</u>	<u>398,202,729.00</u>	<u>7,238,308.66</u>
	<u>\$ 691,458,447.42</u>	<u>\$ 282,744,172.85</u>	<u>\$ 408,714,274.57</u>	<u>\$ 17,749,854.23</u>

Sources:

- (1) 2019 Annual Debt Statement
- (2) County's 2019 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2019 Equalized Value, which is 2.00%.

The source for this computation was the 2019 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis	
	2019	\$ 782,259,067.00
	2018	768,729,262.00
	2017	<u>761,000,972.00</u>
	[A]	\$ <u>2,311,989,301.00</u>
Average equalized valuation of taxable property	[A/3]	\$ 770,663,100.33
Debt limit (2.5% of average equalization value)	[B]	\$ 19,266,577.51
Total Net Debt Applicable to Limit	[C]	<u>-</u>
Legal Debt Margin	[B-C]	\$ <u>19,266,577.51</u>

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limit	\$ 19,266,577.51	\$ 18,980,526.48	\$ 18,864,839.73	\$ 18,882,022.15	\$ 19,038,091.79	\$ 19,495,661.87	\$ 20,397,726.56	\$ 25,842,764.00	\$ 22,110,649.08	\$ 23,024,390.98
Total net debt applicable to limit	<u>-</u>	<u>1,280,000.00</u>	<u>1,320,000.00</u>	<u>1,605,000.00</u>	<u>2,890,000.00</u>	<u>1,720,000.00</u>	<u>295,000.00</u>	<u>365,000.00</u>	<u>430,000.00</u>	<u>490,000.00</u>
Legal debt margin	<u>\$ 19,266,577.51</u>	<u>\$ 17,700,526.48</u>	<u>\$ 17,544,839.73</u>	<u>\$ 17,277,022.15</u>	<u>\$ 21,680,649.08</u>	<u>\$ 22,534,390.98</u>	<u>\$ 18,939,642.68</u>	<u>\$ 16,603,862.83</u>	<u>\$ 14,415,393.34</u>	<u>\$ 12,747,382.99</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	6.74%	7.00%	8.50%	15.18%	8.82%	1.45%	1.41%	1.94%	2.13%

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

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

WATERFORD TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2020	Unavailable	Unavailable	Unavailable	Unavailable
2019	10,684	Unavailable	Unavailable	4.1%
2018	10,707	\$ 579,280,821.00	\$ 54,103.00	4.7%
2017	10,774	558,933,572.00	51,878.00	5.4%
2016	10,754	531,161,568.00	49,392.00	5.8%
2015	10,753	517,047,252.00	48,084.00	6.9%
2014	10,732	503,180,552.00	46,886.00	8.7%
2013	10,731	488,732,664.00	45,544.00	9.0%
2012	10,671	480,867,273.00	45,063.00	10.1%
2011	10,653	471,171,537.00	44,229.00	10.0%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1)
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

WATERFORD TOWNSHIP SCHOOL DISTRICT

Principal Employers
Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Archway Programs (and Subsidiaries)	450	1	8.38%	500	1	8.91%
Allegría At The Fountains	249	2	4.64%			
Fountains At Cedar Parke	200	3	3.72%			
Woodlands At Hayes Mill	100	4	1.86%			
Atco Dragway LLC	50	5	0.93%			
Raio Contracting	50	6	0.93%			
Wawa Food Market	49	7	0.91%			
Louden Sheet Metal	49	8	0.91%			
Virtua Primary Care	49	9	0.91%			
Gateway Communities Inc.				200	2	3.57%
Jersey Construction				30	6	0.53%
Atco Foods Inc.				50	3	0.89%
Piney Hollow Properties LLC				50	4	0.89%
Morgan's Bus Service Inc				31	5	0.55%
Mack Korp Associates LLC				27	7	0.48%
O T Transportation, Inc.				26	8	0.46%
United States Postal Service	21	10	0.39%	26	9	0.46%
Waterford Township EMS, Inc.				26	10	0.46%
	<u>1,267</u>		<u>23.59%</u>	<u>966</u>		<u>17.20%</u>

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2020</u>	<u>2019 (1)</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Certified:										
Instruction										
Regular	55.0	46.0	61.8	60.0	60.5	52.6	61.0	58.5	54.3	56.4
Special education	17.0	14.0	42.72	38.0	33.4	56.5	27.0	35.1	35.1	36.5
Basic Skills	14.0	16.0								
Support Services:										
Student & instruction related services	17.7	15.1	31.5	35.1	46.9	27.7	33.0	28.0	27.2	26.9
General administrative services	0.5	0.5	1.0	2.0	2.0	2.0	2.0	2.0	1.6	2.0
School administrative services	2.5	2.5	6.5	6.5	5.3	5.3	5.3	5.3	7.5	8.5
Business administrative services	1.0	1.0	5.0	5.0	5.0	5.0	5.0	4.5	4.0	4.0
Plant operations and maintenance			6.0	6.0	6.0	6.0	6.0	6.0	6.3	8.3
Pupil transportation			2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total Certified	107.7	95.0	156.6	154.6	161.1	157.1	141.3	141.4	138.0	144.6
Non- Certified:										
Instruction										
Regular	21.72	10.1								
Special education	5.00	6.4								
Basic Skills	3.68	0.3								
Support Services:										
Student & instruction related services	28.80	18.8								
General administrative services	0.50	0.5								
School administrative services	4.50	4.1								
Business administrative services	4.20	4.0								
Plant operations and maintenance	9.47	10.1								
Non-Instructional Aides	4.74	3.8								
Pupil transportation	2.00	2.0								
Child Care					10.0	10.0				
Total Non Certified	84.6	60.08			10.0	10.0				
Total	192.3	155.1	156.6	154.6	171.1	167.1	141.3	141.4	138.0	144.6

(1) In 2019 the School District began reporting full-time equivalent employees as certified and non-certified.

Source: District Personnel Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal</u>	<u>Elementary Enrollment</u>	<u>Secondary Enrollment (1)</u>	<u>Operating Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (3)</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) (4)</u>	<u>Average Daily Attendance (ADA) (4)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2020	878	665	\$31,399,267.03	\$20,349.49	8.98%	76.0	11.55	891.8	865.5	-2.62%	97.05%
2019	814	679	30,505,515.73	20,432.36	7.81%	73.4	11.50	915.8	867.6	13.59%	94.74%
2018	844	686	28,569,080.65	18,672.60	4.98%	78.0	10.40	806.2	760.8	0.39%	94.36%
2017	811	734	29,282,424.22	18,953.03	6.56%	73.0	10.86	803.1	759.4	-3.42%	94.56%
2016	834	780	28,707,309.70	17,786.44	8.85%	76.8	11.12	831.6	792.9	-5.29%	95.35%
2015	854	774	26,601,389.98	16,339.92	4.06%	74.0	12.14	878.0	836.0	0.99%	95.22%
2014	898	809	26,803,552.79	15,702.14	7.10%	83.0	11.01	869.4	830.7	-4.56%	95.55%
2013	914	802	25,159,525.00	14,661.73	2.36%	76.0	11.01	910.9	868.4	4.77%	95.33%
2012	878	844	24,664,368.47	14,323.09	-2.70%	74.0	12.01	869.4	830.7	-5.67%	95.55%
2011	889	839	25,419,454.25	14,710.33	-8.52%	66.0	13.47	921.7	870.1	0.09%	94.40%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

- (1) Secondary students are sent on a tuition basis.
- (2) Operating expenditures equal total expenditures less debt service and capital outlay
- (3) Teaching staff includes only full-time equivalents of certificated staff.
- (4) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). and includes elementary students only, secondary students are sent on a tuition basis.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>District Building</u>										
<u>Elementary</u>										
Atco (1965)										
Square Feet	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	25,600	24,494
Capacity (students)	185	185	150	150	150	150	150	150	150	176
Enrollment	204	204	208	204	220	204	179	179	163 *	217
Thomas Richards (1979)										
Square Feet	30,033	30,033	30,033	30,033	30,033	30,033	30,033	30,033	30,033	32,723
Capacity (students)	221	221	193	193	193	193	193	193	193	262
Enrollment	234	234	269	231	231	255	213	213	252	259
Waterford (1985)										
Square Feet	71,418	71,418	71,418	71,418	71,418	71,418	71,418	71,418	71,418	78,000
Capacity (students)	423	423	444	444	444	444	444	444	445	450
Enrollment	439	439	330	19	328	364	452	452	401	413
<u>Other</u>										
Office Building (1985)										
Square Feet		6,541	6,541	6,541	6,541	6,541	6,541	6,541	6,541	2,132

* Kindergarten students were counted as .5 because they are half day.

Number of Schools at June 30, 2020

Elementary = 3

Sources: ASSA, Square Footage from most recent Long Range Facilities Plan

Capacity = FES from most recent Long Range Facilities Plan

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Project # (s)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Waterford Elementary	N/A	\$ 124,164.15	\$ 189,726.04	\$ 101,824.66	\$ 98,693.54	\$ 104,067.90	\$ 101,881.65	\$ 98,120.72	\$ 161,024.00	\$ 191,163.63	\$ 90,480.13
Thomas Richards Elementary	N/A	55,368.01	136,816.91	191,316.32	37,942.10	31,152.25	47,500.18	63,857.38	51,281.00	60,879.20	34,039.60
Atco Elementary	N/A	59,461.87	107,917.79	70,060.17	129,260.96	25,808.02	34,113.06	33,908.16	36,647.00	43,506.48	32,005.14
Total School Facilities		<u>238,994.03</u>	<u>434,460.74</u>	<u>363,201.15</u>	<u>265,896.60</u>	<u>161,028.17</u>	<u>183,494.89</u>	<u>195,886.26</u>	<u>248,952.00</u>	<u>295,549.31</u>	<u>156,524.87</u>
Other Facilities	N/A	<u>89,772.02</u>	<u>80,233.60</u>	<u>2,480.92</u>	<u>1,939.00</u>	<u>10,375.32</u>	<u>4,979.59</u>	<u>2,131.54</u>	<u>4,960.00</u>	<u>5,887.75</u>	<u>2,850.52</u>
Grand Total		<u>\$ 328,766.05</u>	<u>\$ 514,694.34</u>	<u>\$ 365,682.07</u>	<u>\$ 267,835.60</u>	<u>\$ 171,403.49</u>	<u>\$ 188,474.48</u>	<u>\$ 198,017.80</u>	<u>\$ 253,912.00</u>	<u>\$ 301,437.06</u>	<u>\$ 130,329.95</u>

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

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property (1):		
Real and Personal	\$ 500,000,000.00	\$ 5,000.00
Extra Expense	50,000,000.00	5,000.00
Valuable Papers and Records	10,000,000.00	5,000.00
Demolition and Increased Costs of Construction	25,000,000.00	
Loss of Business Income/Tuition	1,000,000.00	
Limited Builders Risk	10,000,000.00	
Fire Department Service Charge	10,000.00	
Arson Reward	10,000.00	
Pollutant Cleanup and Removal	250,000.00	
Sublimits :		
Special Flood Hazard Area Flood Zones	25,000,000.00	500,000.00
Accounts Receivable	250,000.00	
All Flood Zones	75,000,000.00	10,000.00
Earthquake	50,000,000.00	
Terrorism	1,000,000.00	
Electronic Data Processing (1):		
Hardware/Software	800,000.00	1,000.00
Computer Virus	250,000.00	
Terrorism	Included in Property	
Equipment Breakdown (1):		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000.00	5,000.00
SubLimits:		
Property Damage	Included	
Off Premises Property Damage	100,000.00	
Business Income	Included	
Extra Expense	10,000,000.00	
Service Interruption	10,000,000.00	
Perishable Goods	500,000.00	
Data Restoration	100,000.00	
Contingent Business Income	100,000.00	
Demolition	1,000,000.00	
Ordinance or Law	1,000,000.00	
Expediting Expenses	500,000.00	
Hazardous Substances	500,000.00	
Newly Acquired Locations (120 day notice)	250,000.00	
Terrorism	Included	

(Continued)

WATERFORD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Crime (1):		
Public Employee Dishonesty with Faithful Performance	\$ 250,000.00	\$ 1,000.00
Theft, Disappearance and Destruction - Loss of Money & Securities on or Off Premises	25,000.00	500.00
Theft, Disappearance and Destruction - Money Orders & Conterfeit Paper Currency	25,000.00	500.00
Forgery or Alteration	25,000.00	500.00
Computer Fraud	25,000.00	500.00
Comprehensive General Liability (1):		
Bodily Injury and Property Damage	16,000,000.00	
Products and Completed Operations	16,000,000.00	
Sexual Abuse		
per occurrence	16,000,000.00	
annual NJSIG aggregate	17,000,000.00	
Personal Injury and Advertising Injury	16,000,000.00	
Employee Benefits Liability	16,000,000.00	1,000.00
Premises Medical Payments		
per accident	10,000.00	
limit per person	5,000.00	
Terrorism	1,000,000.00	
Automobile (1):		
Liability:		
Bodily Injury and Property Damage	16,000,000.00	
Uninsured/Underinsured Motorists - Private Passenger Auto	1,000,000.00	
Uninsured/Underinsured Motorists - All Other Vehicles		
Bodily Injury Per Person	15,000.00	
Bodily Injury Per Accident	30,000.00	
Property Damage Per Accident	5,000.00	
Personal Injury Protection (including pedestrians)	250,000.00	
Medical Payments:		
private passenger vehicles	10,000.00	
all other vehicles	5,000.00	
Terrorism	1,000,000.00	
Physical Damage (Scheduled vehicles only):		
Comprehensive		1,000.00
Collision		1,000.00
Hire Car Physical Damage (\$110,000.00 limit)		1,000.00
Replacement Costs	Not Covered	
Garage Keepers	Included	
Workers Compensation (1):		
Bodily Injury by Accident	2,000,000.00	
Bodily Injury by Disease (each employee)	2,000,000.00	
Bodily Injury by Disease (aggregate limit)	2,000,000.00	

(Continued)

WATERFORD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Leaders Errors & Omissions Liability (1):		
Coverage A	\$ 15,000,000.00	\$ 10,000.00
Coverage B:		
Each Claim	100,000.00	10,000.00
Each Policy Period	300,000.00	
Student Accident Coverage/ Per Accident (2):		
Class I	1,000,000.00	
Class II	25,000.00	
Surety Bond Coverage - Board Secretary (3)	250,000.00	

(1) - New Jersey Schools Insurance Group (NJSIG)

(2) - Zurich Insurance Company

(3) - Western Surety

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
Waterford, New Jersey 08089

Report on Compliance for Each Major State Program

We have audited the Township of Waterford School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2020. The School District's major 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the 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 state program. However, our audit does not provide a legal determination of the Township of Waterford School District's compliance.

Opinion on Each Major State Program

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

Report on Internal Control over Compliance

Management of the Township of Waterford School District, in the County of Camden, State of New Jersey, 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 School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, 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 Waterford 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 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Public School Accountant No. CS 02459

Voorhees, New Jersey
January 28, 2021

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

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From To	
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through State Department of Education:						
Medical Assistance Program (Medicaid)	93.778	2005NJ5MAP	N/A	\$ 54,314.31	7/1/2019	6/30/2020
Total Medicaid Assistance Program (SEMI) Cluster						
Total General Fund						
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
E.S.E./E.S.S.A.:						
Title I Grants to Local Educational Agencies	84.010	S010A190030	NCLB556019	232,992.00	7/1/2018	6/30/2019
Title I Grants to Local Educational Agencies	84.010	S010A200030	NCLB556020	218,354.00	7/1/2019	6/30/2020
Total Title I Grants to Local Educational Agencies						
Supporting Effective Instruction State Grants (Title II)	84.367	S367A190029	NCLB026019	33,962.00	7/1/2018	6/30/2019
Supporting Effective Instruction State Grants (Title II)	84.367	S367A200029	NCLB026020	33,086.00	7/1/2019	6/30/2020
Total Supporting Effective Instruction State Grants (Title II)						
Student Support & Academic Enrichment Grant (Title IV)	84.424	S424A190031	NCLB026019	13,992.00	7/1/2018	6/30/2019
Student Support & Academic Enrichment Grant (Title IV)	84.424	S424A200031	NCLB026020	13,598.00	7/1/2019	6/30/2020
Total Student Support & Academic Enrichment Grants (Title IV)						
Special Education Cluster (IDEA)						
Special Education Grants to States (IDEA Basic)	84.027	H027A190030	FT-5560-19	206,743.00	7/1/2018	6/30/2019
Special Education Grants to States (IDEA Basic)	84.027	H027A200030	FT-5560-20	211,068.00	7/1/2019	6/30/2020
Special Education Preschool Grants (IDEA Preschool)	84.173	H173A190030	PS-5560-19	15,945.00	7/1/2018	6/30/2019
Special Education Preschool Grants (IDEA Preschool)	84.173	H173A200030	PS-5560-20	16,088.00	7/1/2019	6/30/2020
Total Special Education Cluster (IDEA)						
Education Stabilization Fund (CARES Act)	84.425	S425D200027	N/A	175,527.00	3/13/2020	9/30/2022
Total Special Revenue Fund						
Enterprise Fund:						
U.S. Department of Agriculture						
Passed-through State Department of Agriculture						
Child Nutrition Cluster:						
School Breakfast Program	10.553	191NJ304N1099	N/A	31,661.31	7/1/2018	6/30/2019
School Breakfast Program	10.553	201NJ304N1099	N/A	51,796.52	7/1/2019	6/30/2020
National School Lunch Program - Commodities (Noncash)	10.555	201NJ304N1099	N/A	30,866.07	7/1/2019	6/30/2020
National School Lunch Program	10.555	191NJ304N1099	N/A	94,675.81	7/1/2018	6/30/2019
National School Lunch Program	10.555	201NJ304N1099	N/A	121,116.32	7/1/2019	6/30/2020
Total Child Nutrition Cluster and Total Enterprise Fund						
Total Federal Financial Assistance						

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

These funds were not audited in accordance with the Uniform Guidance since the total of all grant award expenditures were less than \$750,000.00

Balance June 30, 2019	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020		
			Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor June 30, 2020
		\$ 54,314.31	\$ (54,314.31)		\$ (54,314.31)						
		54,314.31	(54,314.31)		(54,314.31)						
		54,314.31	(54,314.31)		(54,314.31)						
\$ (93,098.83)		93,098.83 146,763.00	(201,348.46)		(201,348.46)				\$ (54,585.46)		
(93,098.83)		239,861.83	(201,348.46)		(201,348.46)				(54,585.46)		
(6,998.77)		6,998.77 33,086.00	(33,086.00)		(33,086.00)						
(6,998.77)		40,084.77	(33,086.00)		(33,086.00)						
(13,992.00)		13,992.00									
(13,992.00)		13,992.00	(13,598.00)		(13,598.00)				(13,598.00)		
(820.00)		820.00									
(6,553.00)		200,202.00 6,553.00	(211,068.00)		(211,068.00)				(10,866.00)		
		16,088.00	(16,088.00)		(16,088.00)						
(7,373.00)		223,663.00	(227,156.00)		(227,156.00)				(10,866.00)		
			(2,500.00)		(2,500.00)				(2,500.00)		
(121,462.60)		517,601.60	(477,688.46)		(477,688.46)				(81,549.46)		
(2,969.27)		2,969.27									
		44,450.72	(51,796.52)		(51,796.52)				(7,345.80)		
		30,866.07	(30,866.07)		(30,866.07)						
(6,251.78)		6,251.78									
		109,496.60	(121,116.32)		(121,116.32)				(11,619.72)		
(9,221.05)		194,034.44	(203,778.91)		(203,778.91)				(18,965.52)		
\$ (130,683.65)	\$ -	\$ 765,950.35	\$ (735,781.68)	\$ -	\$ (735,781.68)	\$ -	\$ -	\$ -	\$ (100,514.98)	\$ -	\$ -

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

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Local Match	Grant Period		Balance June 30, 2019		
				From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount
General Fund:								
New Jersey Department of Education:								
Current Expense:								
State Aid- Public Cluster:								
Equalization Aid	495-034-5120-078	\$ 10,427,797.00		7-1-2018	6-30-2019	\$ (1,028,591.49)		
Equalization Aid	495-034-5120-078	10,246,188.00		7-1-2019	6-30-2020			
Categorical Special Education Aid	495-034-5120-089	981,906.00		7-1-2018	6-30-2019	(96,854.61)		
Categorical Special Education Aid	495-034-5120-089	981,906.00		7-1-2019	6-30-2020			
Categorical Security Aid	495-034-5120-084	200,265.00		7-1-2018	6-30-2019	(19,754.02)		
Categorical Security Aid	495-034-5120-084	200,265.00		7-1-2019	6-30-2020			
School Choice Aid	495-034-5120-068	357,504.00		7-1-2018	6-30-2019	(35,263.98)		
School Choice Aid	495-034-5120-068	319,817.00		7-1-2019	6-30-2020			
Total State Aid - Public						(1,180,464.10)		
Transportation Aid:								
Categorical Transportation Aid	495-034-5120-014	632,435.00		7-1-2018	6-30-2019	(62,383.00)		
Categorical Transportation Aid	495-034-5120-014	632,435.00		7-1-2019	6-30-2020			
Additional Nonpublic School Transportation Aid	495-034-5120-014	20,090.00		7-1-2018	6-30-2019	(20,090.00)		
Additional Nonpublic School Transportation Aid	495-034-5120-014	1,171.00		7-1-2019	6-30-2020			
Total Transportation Aid						(82,473.00)		
Extraordinary Aid								
Extraordinary Aid	495-034-5120-044	239,054.00		7-1-2018	6-30-2019	(239,054.00)		
Extraordinary Aid	495-034-5120-044	295,198.00		7-1-2019	6-30-2020			
Total Extraordinary Aid						(239,054.00)		
Payment for Institutionalized Children -								
Unknown District of Residence	495-034-5120-005	44,265.75		7-1-2018	6-30-2019	(1,488.35)		
Unknown District of Residence	495-034-5120-005	5,049.33		7-1-2019	6-30-2020			
Total Payment for Institutionalized Children						(1,488.35)		
Reimbursed T.P.A.F. Social Security Contributions								
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	503,078.81		7-1-2018	6-30-2019	(26,716.77)		
Reimbursed T.P.A.F. Social Security Contributions	495-034-5094-003	536,245.62		7-1-2019	6-30-2020			
Total Reimbursed T.P.A.F. Social Security Contributions						(26,716.77)		
On-behalf T.P.A.F. Pension Contributions:								
T.P.A.F. Post-Retirement Medical	495-034-5094-001	494,513.00		7-1-2019	6-30-2020			
T.P.A.F. Pension Contributions- Normal Cost	495-034-5094-002	1,309,512.00		7-1-2019	6-30-2020			
T.P.A.F. Non-contributory Insurance	495-034-5094-004	23,472.00		7-1-2019	6-30-2020			
T.P.A.F. Long-Term Disability Insurance	495-034-5094-004	1,396.00		7-1-2019	6-30-2020			
Total On-Behalf TPAF Pension Contributions								
Total General Fund						(1,530,196.22)		
Special Revenue Fund:								
New Jersey Department of Education:								
Preschool Education Expansion Aid	495-034-5120-086	2,001,519.00		7-1-2018	6-30-2019	160,338.19		
Preschool Education Expansion Aid	495-034-5120-086	2,051,259.00		7-1-2019	6-30-2020			
Total Special Revenue Fund						160,338.19		
Capital Projects Fund:								
School Development Authority:								
Regular Operating District Grant:								
Waterford Elementary School - Unbundled	5560-100-14-1003	3,184,884.00	\$ 3,309,617.00	6-20-14	Completion	149,115.61		
Thomas Richards Elementary School - Unbundled	5560-060-14-1002	1,275,287.00	1,325,233.00	12-19-14	Completion	(1,082,070.41)		
Atco Elementary School - Unbundled	5560-040-14-1001	1,302,313.00	1,353,318.00	12-19-14	Completion	(709,671.59)		
Total Capital Projects Fund						(1,642,626.39)		
Enterprise Fund:								
State Department of Agriculture:								
National School Lunch Program (State Share)								
National School Lunch Program (State Share)	100-010-3350-023	2,880.41		7-1-2018	6-30-2019	(195.98)		
National School Lunch Program (State Share)	100-010-3350-023	10,075.80		7-1-2019	6-30-2020			
Total Enterprise Fund						(195.98)		
Total State Financial Assistance						\$ (3,012,680.40)	\$ -	\$ -

Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:

General Fund (Non-Cash Assistance):

New Jersey Department of Treasury:

On-Behalf T.P.A.F. Pension Contributions:

T.P.A.F. Post-Retirement Medical	495-034-5094-001	494,513.00		7-1-2019	6-30-2020			
T.P.A.F. Pension Contributions- Normal Cost	495-034-5094-002	1,309,512.00		7-1-2019	6-30-2020			
T.P.A.F. Non-contributory Insurance	495-034-5094-004	23,472.00		7-1-2019	6-30-2020			
T.P.A.F. Long-Term Disability Insurance	495-034-5094-004	1,396.00		7-1-2019	6-30-2020			

Total General Fund (Non-Cash Assistance)

Total State Financial Assistance subject to Major Program Determination for State Single Audit

(A) See Note 5 to the Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

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

Cash Received	Total Budgetary Expenditures	Passed-Through Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance at June 30, 2020			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2020	Cumulative Total Expenditures
\$ 1,028,591.49									\$ (10,427,797.00)
9,264,821.21	\$ (10,246,188.00)				\$ (981,366.79)			\$ (981,366.79)	(10,246,188.00)
96,854.61									(981,906.00)
887,860.30	(981,906.00)				(94,045.70)			(94,045.70)	(981,906.00)
19,754.02									(200,265.00)
181,083.87	(200,265.00)				(19,181.13)			(19,181.13)	(200,265.00)
35,263.98									(357,504.00)
289,185.34	(319,817.00)				(30,631.66)			(30,631.66)	(319,817.00)
<u>11,803,414.82</u>	<u>(11,748,176.00)</u>				<u>(1,125,225.28)</u>			<u>(1,125,225.28)</u>	<u>(23,745,372.00)</u>
62,383.00									(632,435.00)
571,861.18	(632,435.00)				(60,573.82)			(60,573.82)	(632,435.00)
20,090.00									(20,090.00)
	(1,171.00)				(1,171.00)				(1,171.00)
<u>654,334.18</u>	<u>(633,606.00)</u>				<u>(61,744.82)</u>			<u>(60,573.82)</u>	<u>(1,286,131.00)</u>
239,054.00									(239,054.00)
	(295,198.00)				(295,198.00)				(295,198.00)
<u>239,054.00</u>	<u>(295,198.00)</u>				<u>(295,198.00)</u>				<u>(534,252.00)</u>
1,488.35									(44,265.75)
5,049.33	(5,049.33)								(5,049.33)
<u>6,537.68</u>	<u>(5,049.33)</u>								<u>(49,315.08)</u>
26,716.77									(503,078.81)
509,630.28	(536,245.62)				(26,615.34)				(536,245.62)
<u>536,347.05</u>	<u>(536,245.62)</u>				<u>(26,615.34)</u>				<u>(1,039,324.43)</u>
494,513.00	(494,513.00)								(494,513.00)
1,309,512.00	(1,309,512.00)								(1,309,512.00)
23,472.00	(23,472.00)								(23,472.00)
1,396.00	(1,396.00)								(1,396.00)
<u>1,828,893.00</u>	<u>(1,828,893.00)</u>								<u>(1,828,893.00)</u>
<u>15,068,580.73</u>	<u>(15,047,167.95)</u>				<u>(1,508,783.44)</u>			<u>(1,185,799.10)</u>	<u>(28,483,287.51)</u>
200,151.90						\$ 360,490.09			(1,641,028.91)
1,846,133.10	(1,740,066.79)				(205,125.90)	311,192.21		(205,125.90)	(1,740,066.79)
<u>2,046,285.00</u>	<u>(1,740,066.79)</u>				<u>(205,125.90)</u>	<u>671,682.30</u>		<u>(205,125.90)</u>	<u>(1,740,066.79)</u>
					(1,267,168.49)	1,416,284.10			(5,078,216.90)
					(1,275,287.00)	193,216.59			(2,407,303.41)
<u>1,005,745.26</u>			\$ (296,073.67)						<u>(2,062,989.59)</u>
<u>1,005,745.26</u>			<u>(296,073.67)</u>		<u>(2,542,455.49)</u>	<u>1,609,500.69</u>			<u>(9,548,509.90)</u>
195.98									(2,880.41)
2,690.40	(10,075.80)				(7,385.40)				(10,075.80)
<u>2,886.38</u>	<u>(10,075.80)</u>				<u>(7,385.40)</u>				<u>(12,956.21)</u>
<u>\$ 18,123,497.37</u>	<u>\$ (16,797,310.54)</u>	<u>\$ -</u>	<u>\$ (296,073.67)</u>	<u>\$ -</u>	<u>\$ (4,263,750.23)</u>	<u>\$ 2,281,182.99</u>	<u>\$ -</u>	<u>\$ (1,390,925.00)</u>	<u>\$ (39,784,820.41)</u>

\$ 494,513.00
1,309,512.00
23,472.00
1,396.00
1,828,893.00
\$ (14,968,417.54)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2020

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Waterford School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise funds are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$57,048.00 for the general fund and \$46,210.84 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 54,314.31	\$ 15,104,215.95	\$ 15,158,530.26
Special Revenue	527,929.82	1,736,036.27	2,263,966.09
Food Service	203,778.91	10,075.80	213,854.71
	<u>786,023.04</u>	<u>16,850,328.02</u>	<u>17,636,351.06</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments		(52,074.00)	(52,074.00)
Encumbrances	(50,241.36)	(943.48)	(51,184.84)
	<u>(50,241.36)</u>	<u>(53,017.48)</u>	<u>(103,258.84)</u>
Total Awards and Financial Assistance Expended	<u>\$ 735,781.68</u>	<u>\$ 16,797,310.54</u>	<u>\$ 17,533,092.22</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: ADJUSTMENTS

The amount reported in the column entitled "adjustments" represents the cancellation of the local source capital lease used to finance a portion of the capital project for the Atco Elementary School. This cancellation is due to the project being completed as of June 30, 2020.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2020, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 1- Summary of Auditor's Results

Financial Statements

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

Federal Awards Not Applicable

Internal control over major programs:
Material weakness(es) identified? ___ yes ___ no
Significant deficiency(ies) identified? ___ yes ___ none reported
Type of auditor's report issued on compliance for major programs
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? ___ yes ___ no

Identification of major programs:

Table with 3 columns: CFDA Number(s), FAIN Number(s), Name of Federal Program or Cluster. Multiple rows for data entry.

Dollar threshold used to distinguish between type A and type B programs:
Auditee qualified as low-risk auditee? ___ yes ___ no

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

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 for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? ___ yes ___ X no

Identification of major programs:

GMIS Number(s)

Name of State Program

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include State Aid Public Cluster, Equalization Aid, Categorical Special Education Categorical Aid, Categorical Security Aid, and School Choice Aid.

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? ___ X ___ yes ___ no

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not Applicable.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

