

**Borough of Wenonah Board of Education
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020**

**SCHOOL DISTRICT
OF
BOROUGH OF WENONAH, NEW JERSEY**

**Borough of Wenonah Board of Education
Wenonah, New Jersey**

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

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Borough of Wenonah Board of Education
Wenonah, New Jersey**

For the Fiscal Year Ended June 30, 2020

Prepared by:

Borough of Wenonah Board of Education Administration

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INTRODUCTORY SECTION



Ms. Kristine Height
Chief School Administrator

Mrs. Denise DiGiandomenico
Interim Business Administrator/Board Secretary

December 18, 2020

Honorable President and
Members of the Board of Education
Borough of Wenonah School District
County of Gloucester
Wenonah, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Borough of Wenonah School District (School District) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the 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, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the School 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 School District's organizational chart, and a list of principal officials. The financial section includes the independent auditor's report, the MD&A, and the basic financial statements including the district-wide statements, fund statements, notes to the financial statements, required supplementary information, other MD&A, including budgetary comparison schedules and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the Uniform Guidance, and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.

School District Organization

The Wenonah School District is one of 673 districts (operating and charter) in the State of New Jersey and one of 29 in Gloucester County. The School District provides education to students in grades PreK to 6. In addition, Wenonah School District accepts tuition students on an individual, parent paid basis. All Wenonah students in grades 7-12 attend the local regional high school along with students from the communities of Woodbury Heights, National Park, and Westville.

School District Organization (Continued)

An elected nine-member Board of Education serves as the policy maker for the School District. The Board adopts an annual budget and approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District funds. The Board placed a question on the general election ballot to reduce the membership from nine to seven members that was approved on November 5, 2019. The nine-member board will stay in place through 2020, with only two vacancies on the ballot at both the November 2020 and 2021 elections. There will be an eight-member board for 2021 and then a seven-member board beginning in 2022.

The Chief School Administrator is the chief executive officer of the School District and is responsible to the Board for total education and support operations. The Business Administrator is the chief financial officer of the School District and is responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District and acting as custodian of all School District funds.

Reporting Entity

The Borough of Wenonah School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Borough of Wenonah Board of Education and its school constitutes the School District's reporting entity.

Economic Condition and Outlook

The Borough of Wenonah is a suburban town of .98 square miles located 10 miles south of Philadelphia. Incorporated on February 21, 1871, as the Mantua Land and Improvement Company, the name was changed to Wenonah on April 3, 1871. The population of the town (2,248 in 2016) is expected to remain relatively stable. There are still a few building lots available and many properties continue to be for sale. There has been a slight shift in age distribution, due primarily to younger families moving in as older residents leave. Commercial property is minimal. The Borough of Wenonah went through a revaluation in January of 2012 and a reassessment in 2015.

The School District will continue to face financial issues as the primary funding source of property tax revenue, capped at 2% + any allowable increases by law, and the anticipated decrease in state aid through the year 2024-25 which will total over \$322,000, will allow for very small total budget increases, if any, over the next few years. Along with the unknown expenditures related to COVID-19 and as expenditures in general continue to rise, without cutting staff and/or programs, the School District will struggle to maintain the excellent educational program for which Wenonah is known. The School District continues to closely monitor the cost of operations while looking for new funding sources in order to maintain the quality educational services it has been providing and that the students deserve.

Educational Program

The School District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular and special education programs. The School District completed the 2019-2020 fiscal year with an average enrollment of 170, which is five students less than the previous year's enrollment.

The teaching staff consists of approximately twenty-four faculty members, plus nine special educational instructional aides. The faculty positions include teachers, a counselor, and a school nurse.

The School District offers a caring, nurturing atmosphere conducive to the student's academic, social, and emotional growth. The School District's instructional strategies and processes support the achievement of the New Jersey Student Learning Standards for all students. When students complete their elementary education in the School District, they will have the foundations needed in their journey to becoming productive, self-sufficient, civic minded middle school students. The School District staff, involved parents, and community members are integral to the accomplishment of this goal.

Educational Program (Continued)

All pre-kindergarten through sixth grade students receive a program designed to enlighten their skills in language arts, math, science, social studies, health/physical education, music, art, foreign language, and computer technology.

Comprehensive special education programs are provided to meet the requirements of the special needs population through the district Child Study Team. A gifted and talented pullout program is provided to students in grades second through six to provide advanced learning opportunities to the gifted student.

A strong basic skills curriculum in reading and math is available for students who are identified based on their standardized test scores and/or teacher recommendation. The School District employs a basic skills teacher whose purpose is to ensure that the students receive a remedial program appropriate to their needs where these students are able to demonstrate growth in the early stages of their educational career.

Major Initiatives

The School District continues to supply an enhanced educational program for our students through the upgrading of our elementary facilities, innovative, educational programs and activities, and a comprehensive curriculum which addresses students' needs from basic skills to enrichment.

Literacy and Math

The School District continues to utilize sound research based approaches to both our math and literacy programs. The kindergarten through sixth grade language arts curriculums were realigned to the state standards. Fifth and sixth grades are departmentalized in all subject areas. Basic skills instruction is used to provide individualized instruction to kindergarten through sixth grade students that are experiencing difficulty in learning to read and write on their appropriate grade level. EnVisions Math is used in preschool through sixth grades. Wonders is the ELA series used in kindergarten through sixth grade.

Technology

Technology in Wenonah is viewed as critical to school reform because of its capacity to support improvement in the educational process. Interaction via one-to-one Chromebooks, Macbooks, and SMART technology in almost every classroom, leads to higher level problem solving and is revolutionizing the way our students learn. Technology has been integrated into every aspect of the curriculum and in daily lessons helping to keep instruction relevant and standards based. Targeted professional data-driven development is provided to the teachers to continually upgrade their methodologies.

The Arts

The School District offers chorus and beginning and advanced band. Concerts take place semi-annually. There is an annual school play as well as an art show featuring student artwork.

Child Study Team

To ensure that special education students receive the appropriate individualized educational program to meet their needs, the District implemented its own Child Study Team for the 2019-20 school year. The School District has a full-time Learning Disability Teacher-Consultant who is a team member along with the CSA who serves as the CST Director. The School District has a part-time speech therapist and has contracted for shared services with Pitman School District for occupational therapy services. Any required evaluations (social, psychological) are being conducted through contracted services with Gloucester County Special Services School District/CRESS.

Professional Development

The School District has a part-time curriculum director who, in conjunction with the CSA, is overseeing and offering comprehensive professional development opportunities to the staff that are data-driven. A professional development committee, consisting of staff and administrators, meets regularly to assess the needs of the educational community.

Internal Accounting Controls

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

As a recipient of federal and state financial assistance, the School 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 School District's management.

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

Budgetary Controls

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

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

Accounting System and Reports

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School 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.

Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The School District's MD&A can be found immediately following the report of the independent auditors.

Cash Management

The investment policy of the School District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The School District maintains liquid cash funds on deposit 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.

Risk Management

The Board carries various forms of insurance, including, but not limited to, general liability, hazard and theft insurance on property and contents, and fidelity bonds through the Gloucester, Salem, and Cumberland Joint Insurance Fund. Now, in the seventeenth year of operation, the JIF is performing very well, meeting and exceeding expectations.

Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni and Associates, LLC, are the appointed School District auditors. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the Uniform Guidance and New Jersey State Treasury Circular Letter 15-08. The auditor's report on the basic financial statements 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.

Acknowledgements

We would like to express our appreciation to the members of the Borough of Wenonah School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District, along with a quality product that fully supports the children of Wenonah, and thereby contributing their full support to the development and maintenance of the School District's financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the business office.

Respectfully submitted,

Kristine Height

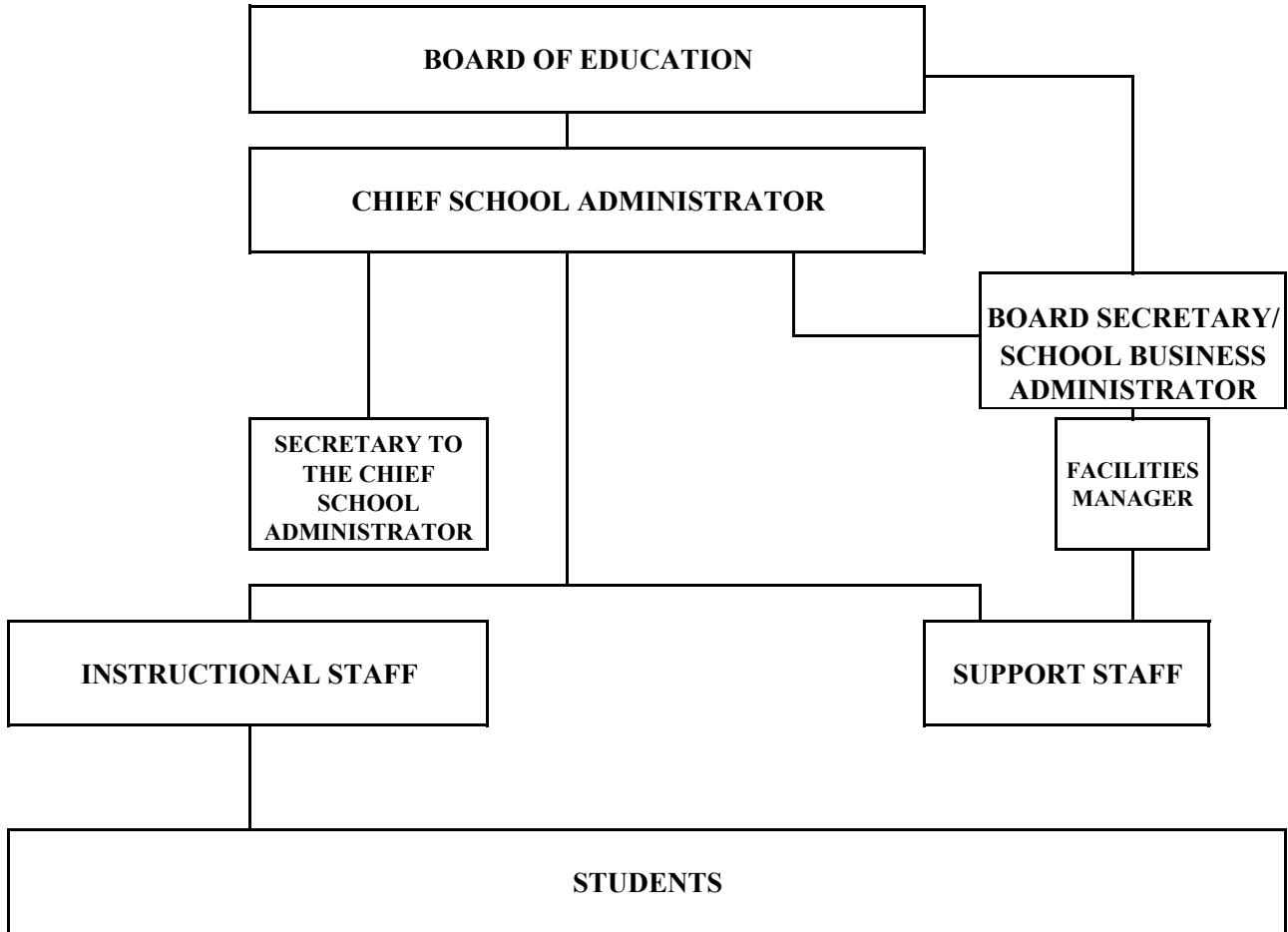
Kristine Height
Chief School Administrator

Denise DiGiandomenico

Denise DiGiandomenico
Interim School Business
Administrator/Board Secretary

**BOROUGH OF WENONAH BOARD OF EDUCATION
WENONAH, NEW JERSEY**

**ORGANIZATIONAL CHART
2019-2020**



BOROUGH OF WENONAH BOARD OF EDUCATION
Wenonah, NJ 08090

ROSTER OF OFFICIALS
June 30, 2020

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Louis McCall, President	2020
Cheryl Demo-Morris, Vice President	2022
Michelle Contarino	2021
Diana Gehring	2020
William Helmbrect	2021
Jonathan Newcomb	2020
Chris Newman	2021
Chuck Patrick	2022
Christopher Peraino	2022

OTHER OFFICIALS

Kristine Height, Chief School Administrator
Denise DiGiandomenico, Interim School Business Administrator/Board Secretary
Daniel H. Long, Esquire, Solicitor

**BOROUGH OF WENONAH BOARD OF EDUCATION
Wenonah, NJ 08090**

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Ocean First Bank
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FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Wenonah School District
200 North Clinton Avenue
Wenonah, New Jersey 08090

Report on the Financial Statements

We have audited the accompanying financial statements of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Wenonah School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, each major fund, and the aggregate remaining fund information of the Wenonah Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is the responsibility of Management and was derived from

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of the Wenonah Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Wenonah Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

December 18, 2020

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**BOROUGH OF WENONAH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR JUNE 30, 2020**

This section of the Borough of Wenonah School District's (District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2019-20) and the prior year (2018-19) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for the 2019-20 fiscal year include the following:

- . Net position for governmental activities was \$1,426,076.
- . Net position for governmental activities increased by \$215,851 from July 1, 2019 to June 30, 2020.
- . The general fund, fund balance as of June 30, 2020, was \$574,272, an increase of \$103,191 when compared with the beginning balance as of July 1, 2019, of \$471,081.

Overview of the Financial Statements

The financial section of the annual report consists of four parts - Independent Auditor's Report, Required Supplementary Information which includes the Management's Discussion and Analysis (this section), the Basic Financial Statements, and Supplemental Information. The basic financial statements include two kinds of statements that present different views of the District.

- . The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- . The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the district-wide statements.
- . The governmental funds statements tell us how basic services such as regular and special education were financed in short-term as well as what remains for future spending.
- . Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table 1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the Management's Discussion and Analysis highlights the structure and contents of each of the statements.

Table 1
Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food service is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in fund net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liabilities	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

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

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

In the district-wide financial statements the District's activities are shown in two categories:

- . *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- . *Business-type activities* - The District may charge fees to customers to help it cover the costs of certain services it provides. The District does not have any business-type activities at this time.

Fund Financial Statements

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

- . Some funds are required by State law and by bond covenants.
- . The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- . **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the Governmental Funds statements that explain the relationship (or differences) between them.

Fund Financial Statements (Continued)

- . **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- . **Fiduciary funds** - The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net Position. The District's net position for the fiscal years ended June 30, 2019 and 2020 are reflected in Table 2.

Table 2
Net Position

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 615,759	\$ 1,558	\$ 617,317	\$ 486,865	\$ 1,420	\$ 488,285
Capital assets, net	2,519,095		2,519,095	2,571,552		2,571,552
Total assets	<u>3,134,854</u>	<u>1,558</u>	<u>3,136,412</u>	<u>3,058,417</u>	<u>1,420</u>	<u>3,059,837</u>
Deferred outflow of resources:						
Deferred outflows related to pension	<u>27,181</u>		<u>27,181</u>	<u>32,990</u>		<u>32,990</u>
Liabilities:						
Current and other liabilities	50,516		50,516	26,372	1,420	27,792
Long-term liabilities:						
Due within one year	190,711		190,711	170,000		170,000
Due in more than one year	660,819		660,819	795,645		795,645
Net pension liability	<u>503,503</u>		<u>503,503</u>	<u>653,033</u>		<u>653,033</u>
Total liabilities	<u>1,405,549</u>		<u>1,405,549</u>	<u>1,645,050</u>	<u>1,420</u>	<u>1,646,470</u>
Deferred inflow of resources:						
Deferred inflows related to pension	<u>330,410</u>		<u>330,410</u>	<u>236,132</u>		<u>236,132</u>
Net position:						
Net investment in capital assets, net of related debt	1,741,870		1,741,870	1,686,552		1,686,552
Restricted for:						
Capital projects	90,365		90,365	50,365		50,365
Other purposes	242,713		242,713	191,495		191,495
Unrestricted	<u>(648,872)</u>	<u>1,558</u>	<u>(647,314)</u>	<u>(718,187)</u>		<u>(718,187)</u>
Total net position	<u>\$ 1,426,076</u>	<u>\$ 1,558</u>	<u>\$ 1,427,634</u>	<u>\$ 1,210,225</u>		<u>\$ 1,210,225</u>

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$53,032 (operating grants and contributions - \$47,867 and charges for services - \$5,165).
- General revenues, special items, extraordinary items, and transfers amounted to \$4,026,335.
- Net expenditures were \$3,808,926.
- Total District revenues and beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net position of \$1,427,634 as of June 30, 2020.

Financial Analysis of the District as a Whole (Continued)

Change in Net Position. Net position for governmental activities increased from June 30, 2019 to June 30, 2020, as reflected in Table 3.

Table 3
Changes in Net Position

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services		\$ 5,165	\$ 5,165		\$ 15,300	\$ 15,300
Operating grants and contributions	\$ 47,867		47,867	\$ 52,637		52,637
General revenues:						
Property taxes	2,974,184		2,974,184	2,900,660		2,900,660
Grants and entitlements	973,075		973,075	1,325,160		1,325,160
Tuition	38,625		38,625	38,350		38,350
Miscellaneous	40,451		40,451	2,758		2,758
Transfer in					9,651	9,651
Total revenues	<u>4,074,202</u>	<u>5,165</u>	<u>4,079,367</u>	<u>4,319,565</u>	<u>24,951</u>	<u>4,344,516</u>
Expenses:						
Program expenses:						
Instruction	1,486,301		1,486,301	1,580,740		1,580,740
Tuition	129,753		129,753	110,757		110,757
Student and instruction related services	602,376		602,376	567,415		567,415
General administration services	183,284		183,284	161,450		161,450
School administration services	17,053		17,053	17,599		17,599
Central services	108,853		108,853	120,994		120,994
Administrative information technology	20,753		20,753	4,562		4,562
Plant operations and maintenance	286,418		286,418	236,054		236,054
Pupil transportation	18,431		18,431	32,227		32,227
Unallocated benefits	955,524		955,524	1,292,791		1,292,791
Preschool extended care					24,951	24,951
Back to school program		3,607	3,607			
Unallocated depreciation	15,678		15,678	15,787		15,787
Capital outlay	12,386		12,386	11,585		11,585
Interest on long-term debt	21,541		21,541	24,944		24,944
Total expenses	<u>3,858,351</u>	<u>3,607</u>	<u>3,861,958</u>	<u>4,176,905</u>	<u>24,951</u>	<u>4,201,856</u>
Increase (decrease) in net position	<u>\$ 215,851</u>	<u>\$ 1,558</u>	<u>\$ 217,409</u>	<u>\$ 142,660</u>		<u>\$ 142,660</u>

Total revenues for the District were \$4,079,367. Governmental funding was the source of 25% of the District's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$2,974,184 provided 73% of revenues.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction, together with tuition, totaled \$1,616,054 (42%) of total expenditures. Student support services, including transportation, exclusive of administration, totaled \$620,807 (16%) of total expenditures. Plant operations and maintenance totaled \$286,418 (7%) of total expenditures. Total revenues exceeded expenditures for governmental activities, increasing net position \$215,851 from the beginning balance at July 1, 2020.

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Activity Descriptions (Continued)

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

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

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

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

Unallocated benefits include the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits, and other employee benefits.

Interest on long-term debt involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its Governmental Funds reported a combined fund balance of \$574,272. At June 30, 2019, the fund balance was \$471,081.

All Governmental Funds had total revenues of \$4,074,202 and total expenditures of \$3,971,011.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 6 including pupil transportation activities and capital outlay projects.

GENERAL FUND BUDGETING HIGHLIGHTS (CONTINUED)

Table 4 presents a summary of Governmental Fund revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

**Table 4
Comparison of Revenues**

	2020	2019	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Local Sources:				
Local tax levy	\$ 2,974,184	\$ 2,900,660	\$ 73,524	2.53%
Tuition	38,625	38,350	275	0.72%
Miscellaneous	40,451	7,882	32,569	413.21%
Government Sources:				
State sources	973,075	1,014,954	(41,879)	-4.13%
Federal sources	47,867	47,528	339	0.71%
Total	<u>\$ 4,074,202</u>	<u>\$ 4,009,374</u>	<u>\$ 64,828</u>	<u>1.62%</u>

One of the primary sources of funding for the District is received from local property taxes and accounted for 73% of the total revenues. State aid accounted for 24% of total revenues.

Total governmental fund revenues increased by \$64,828, or 1.62% from the previous year. The major component of this increase was primarily the result of an increase in miscellaneous income.

There was an increase in property taxes for the general fund of \$73,524, which is a 2.53% increase from the prior year. State law limits the increase in general fund taxes to 2%, plus a minimal amount of adjustments and any banked cap.

GENERAL FUND BUDGETING HIGHLIGHTS (CONTINUED)

Table 5 presents a summary of governmental fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

**Table 5
Comparison of Expenditures**

	2020	2019	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Instruction:				
Regular	\$ 1,138,600	\$ 1,235,565	\$ (96,965)	-7.85%
Special education	187,580	190,095	(2,515)	-1.32%
Other special education	76,086	63,196	12,890	20.40%
Other	18,182	25,581	(7,399)	-28.92%
Support services:				
Tuition	129,753	110,757	18,996	17.15%
Student and instruction related services	600,880	548,385	52,495	9.57%
General administration	182,512	160,673	21,839	13.59%
School administration	16,259	16,800	(541)	-3.22%
Central services	107,804	119,938	(12,134)	-10.12%
Administrative information technology	20,753	4,562	16,191	100.00%
Plant operations and maintenance	259,089	208,538	50,551	24.24%
Pupil transportation	18,431	32,227	(13,796)	-42.81%
Unallocated benefits	943,192	972,522	(29,330)	-3.02%
Capital outlay	78,790	32,080	46,710	145.60%
Debt service	193,100	196,500	(3,400)	-1.73%
Total	\$ 3,971,011	\$ 3,917,419	\$ 53,592	1.37%

Total governmental fund expenditures increased \$53,592 or 1.37% from the previous year. This increase was primarily due to the addition in staff and benefits.

The District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

During the course of fiscal year 2020, the District modified the general fund budget as needed to ensure no line items were projected to be overexpended.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$193,100, of which \$193,100 in funding was provided by the local tax levy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2020, the District had capital assets allocated to governmental activities with a book value of \$2,519,095. This consists of a broad range of capital assets, including land, site improvements, buildings and improvements, and equipment. Total depreciation expense for the year was \$118,861.

Table 6 summarizes capital assets.

Table 6
Capital Assets (Net of Depreciation)
At June 30, 2020 and 2019

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 29,375		\$ 29,375	\$ 29,375		\$ 29,375
Site improvements	21,055		21,055	6,649		6,649
Building and improvements	2,388,793		2,388,793	2,454,423		2,454,423
Machinery and equipment	79,872		79,872	81,105		81,105
Total	<u>\$ 2,519,095</u>		<u>\$ 2,519,095</u>	<u>\$ 2,571,552</u>		<u>\$ 2,571,552</u>

LONG-TERM OBLIGATIONS

At year-end, the District had \$715,000 in general obligation bonds outstanding, a decrease of \$170,000 from last year - as shown below.

The District had obligations under capital leases of \$62,225.

The District also had a \$74,305 liability for compensated absences allocated to governmental activities. This represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Table 7 summarizes debt outstanding.

**Table 7
Outstanding Debt
At June 30, 2020 and 2019**

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Bonds payable	\$ 715,000		\$ 715,000	\$ 885,000		\$ 885,000
Capital leases	62,225		62,225			
Compensated absences	74,305		74,305	80,645		80,645
Total	\$ 851,530		\$ 851,530	\$ 965,645		\$ 965,645

For the Future

The Borough of Wenonah School District has continued to maintain the highest standards of service to our students, parents, and community, all the while remaining financially efficient. We strive to be a community center and will continue to offer facilities and services that will be a source of pride for our community.

A major concern is the continued increase in the cost of operating the District with a continual decrease in state aid. The total anticipated loss through the 2024-2025 school year is \$332,127. This continued loss of state aid causes property taxes to increase and be the major source of revenue for the District, approximately 73%. Based on a ranking by the Tax Foundation, New Jersey has the highest property taxes in the nation when calculating property taxes as a percent of median home value. The Borough of Wenonah is primarily a residential community, with very few commercial ratables, thus the financial burden of tax increases is born by the homeowners. Despite this, the District is very proud of its community support.

Maintenance of the school building is a priority of the District. A building renovation was completed in 2007 which provided a new multi-purpose room, music room, art room, and many renovations to existing areas. In 2010, an existing computer room was renovated to add a pre-school handicapped classroom. In April 2019, the District tested the multi-purpose room over concerns that that the rubberized flooring might contain mercury. The flooring itself was not manufactured with mercury, however, mercury was used in the installation process. The room is currently being used and maintained per professional recommendations, with air testing results consistently below the NJ Department of Health levels of .08 ug/m³. The ultimate resolution to this issue is to replace the flooring. To that end, the District is planning a referendum to not only replace the flooring but also to replace approximately 6,850 square feet of roofing and a few other facilities projects that are in need of upgrades. As of December 18, 2020, the special school election, which was originally anticipated for September 2020, will now be held on April 20, 2021.

In conclusion, the District has committed itself to academic and fiscal responsibility for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future, as the focus of keeping Wenonah School as the heart of the Borough of Wenonah.

COVID-19 Pandemic

In March 2020, the World Health Organization characterized a novel strain of coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption to the global economy. As part of our response to the COVID-19 pandemic, we are following business continuity processes led by our Administrative team. Our main priority is the health and safety of our students and staff. Our actions have been driven by government mandates and guidelines. In March 2020, schools were closed due to the coronavirus pandemic. Eventually, all New Jersey schools were closed for the balance of the school year and students completed their studies via remote online instruction. In preparation for the 2020-21 school year amidst the continuing pandemic, the NJ Department of Education provided school districts with guidance to prepare a restart and recovery plan. One of the requirements of this plan, per state guidance, is the provision of some degree of in-person instruction. A family opt-out provision allowing for full time remote instruction was later added to the guidance. In response, the District has developed its return to school plan for 2020-21. The plan requires the District to adequately provide reasonable accommodations for students and staff identified as being at a higher risk for severe illness from COVID-19. These accommodations will come mainly in the form of a full-virtual model for both teachers and students. The District will also rely heavily upon social distancing, mask wearing for students and staff, along with sanitation and cleaning procedures. The District expects the COVID-19 matter to impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Denise DiGiandomenico, Interim School Business Administrator/Board Secretary, 200 North Clinton Avenue, Wenonah, New Jersey 08090.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 461,431	\$ 1,558	\$ 462,989
Receivables, net	49,294		49,294
Interfund receivable	1,000		1,000
Restricted assets:			
Capital reserve account - cash	90,365		90,365
Maintenance reserve account - cash	13,669		13,669
Capital assets, net	2,519,095		2,519,095
Total assets	<u>3,134,854</u>	<u>1,558</u>	<u>3,136,412</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	<u>27,181</u>		<u>27,181</u>
LIABILITIES			
Cash overdraft	12,110		12,110
Accounts payable	27,821		27,821
Accrued interest	9,029		9,029
Deferred revenue	1,556		1,556
Noncurrent liabilities:			
Due within one year	190,711		190,711
Due beyond one year	660,819		660,819
Net pension liability	<u>503,503</u>		<u>503,503</u>
Total liabilities	<u>1,405,549</u>		<u>1,405,549</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	<u>330,410</u>		<u>330,410</u>
NET POSITION			
Invested in capital assets, net of related debt	1,741,870		1,741,870
Restricted for:			
Other purposes	333,078		333,078
Unrestricted	<u>(648,872)</u>	<u>1,558</u>	<u>(647,314)</u>
Total net position	<u>\$ 1,426,076</u>	<u>\$ 1,558</u>	<u>\$ 1,427,634</u>

See accompanying notes to the basic financial statements.

BOROUGH OF WENONAH SCHOOL DISTRICT
 Statement of Activities
 For the 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	\$ 1,198,314				\$ (1,198,314)		\$ (1,198,314)
Special education	192,330		\$ 45,906		(146,424)		(146,424)
Other special instruction	77,475				(77,475)		(77,475)
School sponsored activities	9,875				(9,875)		(9,875)
Summer school	8,307				(8,307)		(8,307)
Community service programs							
Support services:							
Tuition	129,753				(129,753)		(129,753)
Student & instructional related services	602,376		1,961		(600,415)		(600,415)
General administration	183,284				(183,284)		(183,284)
School administrative services	17,053				(17,053)		(17,053)
Central services	108,853				(108,853)		(108,853)
Administrative info technology	20,753				(20,753)		(20,753)
Plant operations & maintenance	286,418				(286,418)		(286,418)
Pupil transportation	18,431				(18,431)		(18,431)
Employee benefits	955,524				(955,524)		(955,524)
Capital outlay	12,386				(12,386)		(12,386)
Interest on long-term debt	21,541				(21,541)		(21,541)
Unallocated depreciation	15,678				(15,678)		(15,678)
Total governmental activities	3,858,351		47,867		(3,810,484)		(3,810,484)
Business-type activities:							
Preschool extended care		\$ 350				\$ 350	350
Back to school program	3,607	4,815				1,208	1,208
Total business-type activities	3,607	5,165				1,558	1,558
Total primary government	\$ 3,861,958	\$ 5,165	\$ 47,867		\$ (3,810,484)	\$ 1,558	\$ (3,808,926)
Taxes:							
Property taxes, levied for general purposes					\$ 2,781,084		\$ 2,781,084
Taxes levied for debt service					193,100		193,100
Federal and state aid not restricted					973,075		973,075
Tuition					38,625		38,625
Investment earnings					1,469		1,469
Miscellaneous income					38,982		38,982
Total general revenues, special items, extraordinary items and transfers					4,026,335		4,026,335
Change in net position					215,851	\$ 1,558	217,409
Net position - beginning					1,210,225		1,210,225
Net position - end					\$ 1,426,076	\$ 1,558	\$ 1,427,634

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

BOROUGH OF WENONAH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
ASSETS				
Cash and cash equivalents	\$ 461,431			\$ 461,431
Receivables from other governments	35,628	\$ 13,666		49,294
Interfund Receivable	1,000			1,000
Restricted cash and cash equivalents	104,034			104,034
Total assets	\$ 602,093	\$ 13,666		615,759
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 27,821			27,821
Cash deficit		\$ 12,110		12,110
Deferred revenue		1,556		1,556
Total liabilities	27,821	13,666		41,487
Fund balances:				
Restricted for:				
Excess surplus - designated for subsequent year's expenditures	96,758			96,758
Excess surplus - current year	78,052			78,052
Capital reserve account	90,365			90,365
Maintenance reserve account	13,669			13,669
Assigned to:				
Designated for subsequent year's expenditures	31,616			31,616
Year-end encumbrances	22,618			22,618
Unassigned:				
General fund	241,194			241,194
Total fund balances	574,272			574,272
Total liabilities and fund balances	\$ 602,093	\$ 13,666		

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources, and therefore, are not reported in the funds. The cost of assets is \$4,892,607 and the accumulated depreciation is \$2,373,512.	\$ 2,519,095
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the funds (See Note 7).	(851,530)
Interest on long-term debt in the statement of activities is accrued, regardless of when due	(9,029)
Net pension liability adjustment	(806,732)
Net position of Governmental Activities	\$ 1,426,076

See accompanying notes to the basic financial statements.

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

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Debt Service Fund	
REVENUES:				
Local sources:				
Local tax levy	\$ 2,781,084		\$ 193,100	\$ 2,974,184
Tuition	38,625			38,625
Interest earned	1,469			1,469
Miscellaneous	38,982			38,982
Total local sources	2,860,160		193,100	3,053,260
State sources	973,075			973,075
Federal sources		\$ 47,867		47,867
Total revenues	3,833,235	47,867	193,100	4,074,202
EXPENDITURES:				
Current:				
Instruction:				
Regular instruction	1,138,600			1,138,600
Special education instruction	141,674	45,906		187,580
Other special instruction	76,086			76,086
School sponsored activities	9,875			9,875
Summer school	8,307			8,307
Support services:				
Tuition	129,753			129,753
Student & instruction related services	598,919	1,961		600,880
General administration	182,512			182,512
School administrative services	16,259			16,259
Central services	107,804			107,804
Administrative info technology	20,753			20,753
Plant operations and maintenance	259,089			259,089
Pupil transportation	18,431			18,431
Employee benefits	943,192			943,192
Debt service:				
Principal			170,000	170,000
Interest and other charges			23,100	23,100
Capital outlay	78,790			78,790
Total expenditures	3,730,044	47,867	193,100	3,971,011
Excess (deficiency) of revenues over expenditures	103,191			103,191
Net change in fund balances	103,191			103,191
Fund balance - July 1	471,081			471,081
Fund balance - June 30	\$ 574,272			\$ 574,272

See accompanying notes to the basic financial statements.

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

Total net change in fund balances - Governmental Funds (from B-2)		\$ 103,191
<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	\$ (118,861)
	Capital outlays	<u>66,404</u>
		(52,457)
<p>Repayment of debt 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.</p>		
		170,000
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		6,340
<p>In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the Governmental Funds interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		1,559
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		<u>(12,782)</u>
Change in net position of Governmental Activities		<u><u>\$ 215,851</u></u>

See accompanying notes to the basic financial statements.

BOROUGH OF WENONAH SCHOOL DISTRICT
 Statement of Net Position
 Proprietary Funds
 June 30, 2020

	Preschool Extended Care	Back to School Program	Total Enterprise Fund
ASSETS			
Cash and cash equivalents	\$ 350	\$ 1,208	\$ 1,558
NET POSITION			
Unrestricted	\$ 350	\$ 1,208	\$ 1,558

See accompanying notes to the basic financial statements.

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

	Preschool Extended Care	Back to School Program	Total Enterprise Fund
Operating revenues:			
Charges for services:			
Tuition	\$ 350	\$ 4,815	\$ 5,165
Total operating revenue	<u>350</u>	<u>4,815</u>	<u>5,165</u>
Operating expenses:			
Salaries		2,710	2,710
Employee benefits		207	207
Other expenses		690	690
Total operating expenses		<u>3,607</u>	<u>3,607</u>
Operating income (loss)	<u>350</u>	<u>1,208</u>	<u>1,558</u>
Total net position - ending	<u>\$ 350</u>	<u>\$ 1,208</u>	<u>\$ 1,558</u>

See accompanying notes to the basic financial statements.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	Preschool Extended Care	Back to School Program	Total Enterprise Fund
Cash flows from operating activities:			
Receipts from customers	\$ 350	\$ 3,395	\$ 3,745
Payments to employees		(2,710)	(2,710)
Payments for employee benefits		(207)	(207)
Payments to suppliers		(690)	(690)
Net cash provided by (used for) operating activities	350	(212)	138
Balance - beginning of year		1,420	1,420
Balance - end of year	<u>\$ 350</u>	<u>\$ 1,208</u>	<u>\$ 1,558</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 350	\$ 1,208	\$ 1,558
Operating income (loss)	<u>\$ 350</u>	<u>\$ 1,208</u>	<u>\$ 1,558</u>

See accompanying notes to the basic financial statements.

BOROUGH OF WENONAH SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Trust	Agency		Total 2020
	Unemployment Compensation	Student Activities	Payroll	
ASSETS				
Cash and cash equivalents	\$ 26,294	\$ 16,364	\$ 10,881	\$ 53,539
Interfund receivable	7,879			7,879
Total assets	<u>\$ 34,173</u>	<u>16,364</u>	<u>10,881</u>	<u>61,418</u>
LIABILITIES				
Payroll deductions and withholdings			2,002	2,002
Payable to student groups		16,364		16,364
Interfund payable			8,879	8,879
Total liabilities		<u>16,364</u>	<u>10,881</u>	<u>27,245</u>
NET POSITION				
Held in trust for unemployment claims	<u>\$ 34,173</u>			<u>\$ 34,173</u>

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

	Unemployment Compensation Trust
ADDITIONS:	
Contributions	\$ 3,908
Interest earned	54
Total additions	<u>3,962</u>
DEDUCTIONS:	
Unemployment claims	678
Total deductions	<u>678</u>
Change in net position	3,284
Net position - beginning of year	30,889
Net position - end of year	<u>\$ 34,173</u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wenonah School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education (Board) consists of elected officials who are responsible for the fiscal control of the Wenonah School District (District). A Chief School Administrator is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of the District have been prepared in conformity with accounting principles in conformity with accounting principles generally accepted in the United State 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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant of the Board's accounting policies established in (GAAP) and used by the District are discussed below.

A. Reporting Entity/Component Units

The Borough of Wenonah School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. The purpose of the District is to educate students in grades Pre-K - 6 at the District's one school.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District has determined that there are no component units.

B. Government-Wide and Fund Financial Statements

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

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Fund Accounting

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn is divided into separate "fund types" as follows:

GOVERNMENTAL FUNDS

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay Subfund.

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

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

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government (other than major capital projects, debt service, or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction, and improvement programs.

PROPRIETARY FUNDS

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

Enterprise Funds - The enterprise fund accounts for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods and services on a continuing basis are financed or recovered primarily through user charges.

The District's enterprise funds are comprised of the Pre-School Extended care and Back to School program.

FIDUCIARY FUNDS

Fiduciary funds include private purpose trust funds and agency funds. These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

The District reports the following fiduciary funds:

Private Purpose Trust Funds - The private purpose trust fund consists of an expendable trust fund. The expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The expendable trust fund accounts for assets where both the principal and interest may be spent. The expendable trust fund includes the unemployment compensation insurance fund.

Agency Funds - The agency funds are used to account for the assets that the District holds on behalf of others as their agent. The agency funds are custodial in nature and do not involve measurement of results of operations. The agency funds include payroll, payroll agency, and student activities funds.

D. Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position.

For the fund financial statements, all governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus (Continued)

(i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days after fiscal year end.

Revenue resulting from non-exchange transactions, which are defined as transactions in which the District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Restricted formula aids, if any, are recorded in the special revenue fund in accordance with The Audit Program promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Revenue (Continued) - Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

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 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 revenue recognition policy for the one or more June state aid payments.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Encumbrances

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. 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 for which the District has received advances are reflected in 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.

H. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

I. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2018-19 and 2017-18 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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.

L. 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.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure 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.

M. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods and services rendered to/from a particular fund in the District and that are due within one year. These amounts are eliminated in the government-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

N. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Site improvements - 15-20 years
Buildings and improvements - 10-50 years
Machinery and equipment - 5-20 years

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Compensated Absences

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

The entire compensated absence liability is reported on the government-wide financial statements. In accordance with GAAP, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term, and therefore, are not a fund liability and represent a reconciling item between the fund level and district-wide presentations.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of Social Security and Medicare taxes are included.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources.

P. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Q. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide 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.

R. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balance

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

Non-spendable - The non-spendable 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 District's highest level of decision-making authority, which, for the 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.

Assigned - The assigned fund balance classification includes amounts that are constrained by the District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by 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, 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 an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the District to spend restricted fund balance first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

T. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function in Note 4 and is included in the expense column of the Statement of Activities. Depreciation expenses

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Allocation of Indirect Expenses (Continued)

that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

U. Use of Estimates

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

V. Recent Accounting Pronouncements Adopted

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements." This Statement, originally effective for periods beginning after June 15, 2018, is postponed until June 15, 2019.

W. Recent Effective Accounting Pronouncements Postponed by Statement 95

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As a result of GASB 95, the effective dates of the following statements are postponed by one year:

In January 2017, the Governmental Accounting Standards Board (GASB) issued 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. 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, originally effective for periods beginning after December 31, 2018, is postponed until December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61." This Statement, originally effective for periods beginning after December 15, 2018, is postponed until December 15, 2019, and will not have any effect on financial reporting.

In January 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 92, "Omnibus 2020." This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021. Management has not yet determined the impact of this Statement on the financial Statements.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Recent Effective Accounting Pronouncements Postponed by Statement 95 (Continued)

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rate." This Statement, except for paragraph 11b originally effective for periods beginning after June 15, 2020, is postponed until June 15, 2021. The requirement in paragraph 11b originally effective for periods beginning after December 31, 2021, is postponed until December 31, 2022. Management has not yet determined the impact of this Statement on the financial statements.

X. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board (GASB) issued 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, originally effective for periods beginning after December 15, 2019, is postponed until June 15, 2021, due to the issuance of Statement No. 95. Management expects this Statement will have an impact on the financial statements.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement, originally effective for periods beginning after December 15, 2019, is postponed until December 15, 2020, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations." The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement, originally effective for periods beginning after December 15, 2020, is postponed until December 15, 2021, due to the issuance of Statement No. 95. Management does not expect this Statement will have an impact on the financial statements.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements." This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for periods beginning after June 15, 2022. Management does not expect this Statement will have an impact on the financial statements.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Recent Accounting Pronouncements Not Yet Effective (Continued)

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." This Statement provides guidance on the accounting and financial reporting related to the reporting of fiduciary component units. This Statement is effective for periods beginning after June 15, 2021. Management does not expect this Statement will have a significant impact on the financial statements.

NOTE 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2020 and 2019, was \$608,452 and \$477,819. As of June 30, 2020 and 2019, \$0 of the District's bank balance of \$656,451 and \$585,636, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2020, the District did not have any investments.

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

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

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

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4: RECEIVABLES

Receivables at June 30, 2020, consisted of Intergovernmental receivables. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities
State aid	\$ 35,628
Federal aid	13,666
	\$ 49,294

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

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

	Interfund Receivable	Interfund Payable
General Fund	\$ 1,000	
Trust Fund	7,879	
Agency Fund		\$ 8,879
	\$ 8,879	\$ 8,879

NOTE 6: CAPITAL ASSETS

Activity for capital assets capitalized by the District group is summarized below for the fiscal year ended June 30, 2020.

	Balance July 1, 2019	Additions	Disposals/ Adjustments	Balance June 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	\$ 29,375			\$ 29,375
Total capital assets not being depreciated	29,375			29,375
Site improvements	71,391	\$ 16,420		87,811
Building & building improvements	4,420,116	35,522		4,455,638
Machinery & equipment	305,321	14,462		319,783
Totals at historical cost	4,796,828	66,404		4,863,232
Less: accumulated depreciation for:				
Site improvements	(64,742)	(2,014)		(66,756)
Building & building improvements	(1,965,693)	(101,152)		(2,066,845)
Machinery & equipment	(224,216)	(15,695)		(239,911)
Total accumulated depreciation	(2,254,651)	(118,861)		(2,373,512)
Governmental activities capital assets, net	\$ 2,571,552	\$ (52,457)	None	\$ 2,519,095

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: CAPITAL ASSETS (CONTINUED)

Depreciation was charged to governmental functions as follows:

Instruction:	
Regular	\$ 59,714
Special education	4,750
Other special instruction	1,389
Support services:	
Student & instructional related services	7,386
General administration	772
School administration services	794
Central services	1,049
Plant operation and maintenance	27,329
Unallocated	15,678
	<u>\$ 118,861</u>

NOTE 7: GENERAL LONG-TERM DEBT

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

Permanently funded debt as of June 30, 2020, consisted of the following:

\$1,720,000 Refunding Bonds of 2012 dated December 12, 2012, payable in annual installments through January 15, 2024. Interest is paid semi-annually at an interest rate from 2% to 3%. The remaining balance as of June 30, 2020, was \$715,000.

Long-Term Obligation Activity

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 80,645	\$ 2,568	\$ 8,908	\$ 74,305	
Capital leases		62,225		62,225	\$ 15,711
Bonds payable	885,000		170,000	715,000	175,000
	<u>\$ 965,645</u>	<u>\$ 64,793</u>	<u>\$ 178,908</u>	<u>\$ 851,530</u>	<u>\$ 190,711</u>

Bonds Payable

Principal and interest due on serial bonds outstanding is as follows:

Year Ended	Principal	Interest	Total
June 30,			
2021	\$ 175,000	\$ 19,700	\$ 194,700
2022	180,000	16,200	196,200
2023	185,000	10,800	195,800
2024	175,000	5,250	180,250
	<u>\$ 715,000</u>	<u>\$ 51,950</u>	<u>\$ 766,950</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)

Bonds Authorized But Not Issued

As of June 30, 2020, the Board had no authorized but unissued debt.

Capital Leases

The District has leases for communication systems. Lease terms are for five years. Interest rates vary from 2.55% to 2.69%. The following is a schedule of future minimum lease payments:

Year Ended			
June 30,	Principal	Interest	Total
2021	\$ 15,711	\$ 793	\$ 16,504
2022	15,276	1,229	16,505
2023	15,675	829	16,504
2024	7,678	418	8,096
2025	7,885	212	8,097
	<u>\$ 62,225</u>	<u>\$ 3,481</u>	<u>\$ 65,706</u>

Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in Governmental Funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities, related to governmental debt, will be accrued as incurred at least annually (at fiscal year-end) on the District-wide financial statements.

For the year ended June 30, 2020, it is not necessary for the Board to establish a liability for arbitrage rebate.

NOTE 8: PENSION FUNDS

Description of Plans - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: PENSION FUNDS (CONTINUED)

Description of Plans (Continued) - financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

Funding Policy - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The District's contributions to the PERS for the years ending June 30, 2020, 2019, and 2018, were \$27,181, \$32,980, and \$33,918, respectively, equal to the contributions requested for each year.

During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$391,637 to the TPAF for normal, post-retirement and long-term disability benefits on behalf of the District. Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District \$104,730 during the year ended June 30, 2020, for the employer's share of Social Security contributions for the TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

The District's total payroll for the year ending June 30, 2020, was \$2,140,771; covered payroll was \$1,791,705 for TPAF and \$310,334 for PERS.

For the year ended June 30, 2020, the District recognized pension expense of (\$22,262). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: PENSION FUNDS (CONTINUED)

Funding Policy (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		\$ 167,172
Net difference between expected and actual experience		7,622
Net difference between projected and actual earnings on pension plan investments		14,803
Changes in proportion and differences between District contributions and proportionate share of contributions		140,815
District contributions subsequent to the measurement date	\$ 27,181	
	\$ 27,181	\$ 330,412

\$27,181 reported as deferred outflows of resources related to pensions, resulting from school district contributions, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2021	\$ (65,522)
2022	(111,710)
2023	(94,193)
2024	(53,203)
2025	(5,784)
	\$ (330,412)

Additional information – Collective balances at June 30, 2019 and 2018, are as follows:

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 3,149,522,616	\$ 4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
District's proportion	0.0027943711%	0.0033166500%

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: PENSION FUNDS (CONTINUED)

Defined Contribution Retirement Program (Continued)

retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial, not later than the fifth business day after the date on which the employee is paid for that pay period. The School District's contributions for the years ending June 30, 2020, 2019, and 2018, were \$12,660, \$12,105, and \$10,509, for covered employees.

NOTE 9: POSTEMPLOYMENT BENEFITS

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2019, the State paid PRM benefits for 153,893 State and local retirees.

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

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

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

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

Total Non-Employer OPEB Liability

The State of New Jersey, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The 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. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2020, was \$6,107,103. Since the OPEB liability associated with the School District is

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Total Non-Employer OPEB Liability (Continued)

100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability. Note that actual numbers will be published in the NJ State's CAFR at: <https://www.state.nj.us/treasury/pensions/gasb-notice.shtml>.

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

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4
Discount rate	3.50%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

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

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

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

The below table summarizes the changes in the Total OPEB liability reported by the State of New Jersey:

	Total OPEB Liability
Balance at beginning of measurement period	\$ 46,110,832,982
Changes for the year:	
Service cost	1,734,404,850
Interest	1,827,787,206
Changes of benefit terms	-
Differences between expected and actual experience	(7,323,140,818)
Changes in assumptions or other inputs	622,184,027
Contributions - Member	37,971,171
Benefit payments	(1,280,958,373)
Net changes	(4,381,751,937)
Balance at end of measurement period	\$ 41,729,081,045

There were no changes in benefit terms from 2018 to 2019.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017 to 3.87% in 2018 to 3.50% in 2019.

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-percent-point lower or 1-percent-point higher than the current discount rate.

	2.50%	3.50%	4.50%
Total OPEB Liability (School Retirees)	\$ 6,629,512	\$ 6,107,103	\$ 5,227,128

Sensitivity of the Total Non-Employer OPEB Liability to Changes in 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-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 5,031,981	\$ 6,107,103	\$ 7,530,344

Additional information – Collective balances at June 30, 2019 and 2018, are as follows:

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Cost Trend Rates (Continued)

	June 30, 2019	June 30, 2018
Collective deferred outflows of resources	\$ 1,921,145,183	\$ 1,377,313,892
Collective deferred inflows of resources	20,887,639,826	16,189,378,926
Collective OPEB Expense	<u>1,015,664,874</u>	<u>2,129,660,368</u>
District's proportion	0.01%	0.01%

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

For the fiscal year ended June 30, 2019, the Board of Education recognized \$150,247 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.

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. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ (10,484,965,300)
Changes of assumptions or other inputs		<u>(8,481,529,343)</u>
Total	<u>None</u>	<u>\$ (18,966,494,643)</u>

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

<u>Year Ended June 30,</u>	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

NOTE 10: DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans listed below, which are administered by US OMI, permits participants to defer a portion of their salary until future years. Amounts deferred under

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: DEFERRED COMPENSATION (CONTINUED)

the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investments
AXA Equitable Insurance
VALIC

NOTE 11: COMPENSATED ABSENCES

The 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.

Twelve-month professional employees, custodians, and support staff are eligible for vacation based on contract schedules with a maximum of twenty days in a fiscal year. Vacation days may be carried over according to the contracts.

By contract and state statute (NJSA 18A:30-3), instructional employees may accrue sick time. The contracts provide that upon retirement with fifteen years or more of service, an employee is eligible to receive a reimbursement of \$50 per day for their unused, accumulated sick leave days, to a maximum of \$15,000. Non-instructional employees may accumulate all unused sick leave days.

The liability for vested compensated absences is recorded in the District-wide Statement of Net Position. The current portion of the compensated absence balance is not considered material to the Governmental Funds total liabilities and, is therefore not shown separately from the amount due in more than one year.

NOTE 12: LABOR CONTRACT

As of June 30, 2020, the District has a total of 46 employees. Of this total, 24 employees are represented by the Wenonah Education Association (WEA). The union agreement expires on June 30, 2022.

NOTE 13: RISK MANAGEMENT

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

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

The District participates in the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSDJIF), public entity risk pool. Coverage under this joint plan offers workers' compensation, boiler and machinery, automobile liability, general liability, property, crime, school board legal liability, and pollution legal liability coverage. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. During the fiscal year ended June 30, 2019, the District did not incur claims in excess of their coverage.

BOROUGH OF WENONAH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2020

NOTE 13: RISK MANAGEMENT (CONTINUED)

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2019-2020		\$ 3,908	\$ 678	\$ 34,173
2018-2019		3,970	3,304	30,889
2017-2018			7,087	30,168

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Board of Education by inclusion of \$1.00 in the 2000-01 capital outlay budget, which was certified for taxes and 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 its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (July 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning balance, July 1, 2019	\$ 50,365
Deposits approved by resolution	40,000
Withdrawals - amount budgeted	(10,349)
Unexpended funds returned	10,349
Ending balance, June 30, 2020	<u><u>\$ 90,365</u></u>

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15: FUND BALANCE APPROPRIATED

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the General Fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

Restricted

General Fund – In accordance with NJSA 18A:7F-7, \$174,810 is restricted as excess surplus (\$96,758 of the total restricted amount has been appropriated and included as anticipated revenue for the year ending June 30, 2021). As of June 30, 2020, \$90,254 has been reserved in the Capital reserve Account and \$13,669 has been reserved in the Maintenance reserve account.

Assigned

General Fund – The District has appropriated and included as an anticipated revenue for the year ended June 30, 2021, \$31,616 of general fund balance as of June 30, 2020. As of June 30, 2020, the District had \$22,618 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

Unassigned

General Fund – As of June 30, 2020, a balance of \$241,194 of fund balance as unassigned.

NOTE 16: CALCULATION OF EXCESS SURPLUS

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020, is \$174,810.

NOTE 17: CONTINGENT LIABILITIES

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

It is the opinion of the administration and legal counsels, that there exists no litigation or contingent liability that may be pending against the Borough of Wenonah School District that would have a material or adverse effect on the Board or the financial position of the District.

NOTE 18: ECONOMIC DEPENDENCY

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 25% of the District's 2019-2020 General Fund revenue, while local tax levy accounted for approximately 73%.

BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Wenonah did not have any tax abatements for the year ending December 31, 2019.

NOTE 20 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and December 18, 2020, the date which the financial statements were available to be issued for possible disclosure and recognition in the financial statements and no items have come to the attention of the District that would require disclosure. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the collection of certain anticipated revenues, such as interest and child-care fees. Other financial impact could occur though such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF WENONAH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 2,781,084		\$ 2,781,084	\$ 2,781,084	
Tuition - individuals	26,000		26,000	38,625	\$ 12,625
Interest earned on capital reserve funds				125	125
Interest of investments				1,344	1,344
Unrestricted miscellaneous revenue	1,000		1,000	38,982	37,982
Total - local sources	<u>2,808,084</u>		<u>2,808,084</u>	<u>2,860,160</u>	<u>52,076</u>
State sources:					
Extraordinary aid				30,419	30,419
Categorical special education aid	134,037		134,037	134,037	
Equalization aid	308,080		308,080	308,080	
TPAF post-retirement medical (on-behalf - non-budgeted)				105,932	105,932
TPAF pensions contributions (on-behalf - non-budgeted)				285,545	285,545
TPAF long term disability insurance (on-behalf - non-budgeted)				160	160
Reimbursed TPAF Social Security contributions (non-budgeted)				104,730	104,730
Total - state sources	<u>442,117</u>		<u>442,117</u>	<u>968,903</u>	<u>526,786</u>
Total revenues	<u>\$ 3,250,201</u>		<u>\$ 3,250,201</u>	<u>\$ 3,829,063</u>	<u>\$ 578,862</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Kindergarten - salaries of teachers	\$ 172,734	\$ (33,605)	\$ 139,129	\$ 136,612	\$ 2,517
Grades 1-5 - salaries of teachers	773,164		773,164	759,856	13,308
Grades 6-8 - salaries of teachers	184,971	(22,943)	162,028	159,183	2,845
Regular programs - home instruction:					
Salaries of teachers	500		500		500
Regular programs - undistributed instruction:					
Purchased professional - educational services	7,884		7,884	7,559	325
Other purchased services	30,450	(10,084)	20,366	11,540	8,826
General supplies	69,971	(5,246)	64,725	62,441	2,284
Other objects		5,267	5,267	1,409	3,858
Total regular programs - instruction	<u>1,239,674</u>	<u>(66,611)</u>	<u>1,173,063</u>	<u>1,138,600</u>	<u>34,463</u>
Special education instruction:					
Resource room/resource center:					
Salaries of teachers	109,122	(14,773)	94,349	94,251	98
General supplies	500	1,030	1,530	632	898
Total resource room/resource center	<u>109,622</u>	<u>(13,743)</u>	<u>95,879</u>	<u>94,883</u>	<u>996</u>
Preschool disabilities - part time:					
Salaries of teachers	37,480	1,993	39,473	39,040	433
Other salaries for instruction	3,900	4,070	7,970	7,370	600
General supplies	400		400	381	19
Total preschool disabilities - part-time	<u>41,780</u>	<u>6,063</u>	<u>47,843</u>	<u>46,791</u>	<u>1,052</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home instruction:					
Salaries of teachers	900		900		900
Total home instruction	900		900		900
Total special education - instruction	152,302	(7,680)	144,622	141,674	2,948
Basic skills/remedial instruction:					
Salaries of teachers	64,114	9,867	73,981	73,391	590
General supplies	665	2,150	2,815	2,695	120
Total basic skills/remedial instruction	64,779	12,017	76,796	76,086	710
School-spon. cocurricular actvts. - instruction:					
Salaries	12,000	(2,000)	10,000	9,617	383
General supplies	175	83	258	258	
Other objects	750	(83)	667		667
Total school-spon. cocurricular actvts. - instruction	12,925	(2,000)	10,925	9,875	1,050
Summer School - Instruction:					
Salaries of teachers	3,500		3,500	3,498	2
Other salaries of instruction	1,000	4,605	5,605	2,923	2,682
Salaries of teacher tutors	2,000		2,000	1,886	114
Total summer school - instruction	6,500	4,605	11,105	8,307	2,798

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total summer school	6,500	4,605	11,105	8,307	2,798
Total instruction	1,476,180	(59,669)	1,416,511	1,374,542	41,969
Undistributed expenditures - instruction:					
Tuition to other LEA's within the state - regular		184	184	183	1
Tuition to other LEA's within the state - special		4,200	4,200	4,200	
Tuition to CSSD & regional day schools	7,720	2,700	10,420	10,420	
Tuition to Priv. Sch. for the disabled within the state	114,787	163	114,950	114,950	
Total undistributed expenditures - instruction	122,507	7,247	129,754	129,753	1
Undistributed expenditures - attendance & social work:					
Salaries	13,542	5,697	19,239	19,239	
Purchased professional/technical services	5,550	(133)	5,417	5,417	
Total undistributed expenditures - attendance & social work	19,092	5,564	24,656	24,656	
Undistributed expenditures - health services:					
Salaries	65,617	2,181	67,798	67,798	
Purchased professional/technical services	4,801	4,115	8,916	8,916	
Supplies and materials	1,500	502	2,002	2,002	
Total undistributed expenditures - health services	71,918	6,798	78,716	78,716	
Undistributed expend. - speech, OT, PT & related services:					
Salaries	29,345	2,269	31,614	31,613	1
Purchased professional - educational services	38,000	(9,040)	28,960	28,960	
Supplies and materials	500	1,673	2,173	2,172	1
Total undistributed expend. - speech, OT, PT & related services	67,845	(5,098)	62,747	62,745	2

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - other supp. serv. students - extra. serv.:					
Salaries	134,352	4,019	138,371	138,370	1
Purchased professional - educational services		11,030	11,030	10,990	40
Total undistributed expend. - other supp. serv. students - extra. serv.	134,352	15,049	149,401	149,360	41
Undistributed expenditures - guidance:					
Salaries of other professional staff	50,480	1,535	52,015	52,015	
Purchased professional - educational services	250	(250)			
Supplies and materials	750	(194)	556	555	1
Total undistributed expenditures - guidance	51,480	1,091	52,571	52,570	1
Undistributed expenditures - child study team:					
Salaries of other professional staff	35,000	43,100	78,100	78,100	
Salaries of secretarial and clerical assistants		8,751	8,751	8,751	
Other salaries	10,924	(10,924)			
Purchased professional - educational services	15,000	4,850	19,850	19,849	1
Supplies and materials	5,060	(4,862)	198	197	1
Total undistributed expenditures - child study team	65,984	40,915	106,899	106,897	2
Undistributed expenditures - improvement of inst. services:					
Salaries of supervisors of instruction	17,945	62,055	80,000	80,000	
Salaries of secretaries and clerical assistants		13,743	13,743	13,743	
Other salaries	10,925	(10,925)			
Purchased professional - educational services	29,601	(29,024)	577	576	1
Supplies and materials	2,173	(2,098)	75	75	
Other objects		2,350	2,350	2,350	
Total undistributed expenditures - improvement of inst. services	60,644	36,101	96,745	96,744	1
Undistributed expenditures - edu. media serv./sch. library:					
Salaries	18,631	776	19,407	19,387	20
Salaries of technology coordinators	4,500	(2,971)	1,529	1,104	425
Purchased professional - technical services	1,100		1,100	1,097	3
Supplies and materials	1,100	233	1,333	1,143	190
Total undistributed expenditures - edu. media serv./sch. library	25,331	(1,962)	23,369	22,731	638

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - instructional staff training					
Salaries of professional staff		420	420	420	
Purchased professional - educational services		3,777	3,777	3,777	
Other purchased services	1,000	(697)	303	303	
Total undistributed expenditures - instructional staff training	1,000	3,500	4,500	4,500	
Undistributed expend. - supp. serv. - general administration:					
Salaries	128,520	2,710	131,230	131,229	1
Legal services	5,000	9,098	14,098	14,098	
Audit fees	10,000	2,420	12,420	12,420	
Other purchased professional services	5,750	1,755	7,505	7,504	1
Communications/telephone	1,000	560	1,560	1,560	
BOE - other purchased services	1,200	400	1,600	1,600	
Miscellaneous purchased services	11,550	(2,630)	8,920	8,895	25
General supplies	750	(126)	624	616	8
Miscellaneous expenditures	2,600	(200)	2,400	2,400	
BOE membership dues and fees	2,200		2,200	2,190	10
Total undistributed expend. - supp. serv. - general administration	168,570	13,987	182,557	182,512	45
Undistributed expend. - supp. serv. - school administration:					
Salaries of other professional staff	2,500		2,500	2,500	
Salaries of secretarial and clerical assistants	13,468	(1,817)	11,651	10,971	680
Other purchased services	2,500		2,500	1,702	798
Supplies and materials	1,500		1,500	1,086	414
Total undistributed expend. - supp. serv. - school administration	19,968	(1,817)	18,151	16,259	1,892
Undistributed expend. - central services:					
Salaries	102,543	(29,098)	73,445	73,131	314
Purchased professional services	1,000		1,000	1,000	
Purchased technical services	11,650	20,009	31,659	31,658	1
Supplies and materials	750	1,165	1,915	1,915	
Miscellaneous expenditures	850	(750)	100	100	
Total undistributed expend. - central services	116,793	(8,674)	108,119	107,804	315

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - admin info technology:					
Salaries	10,000	173	10,173	10,173	
Purchased technical services		10,580	10,580	10,580	
Total undistributed expend. - admin info technology	10,000	10,753	20,753	20,753	
Undistributed expend. - required maintenance for school facilities:					
Cleaning, repair, and maintenance services	36,930	20,065	56,995	35,089	21,906
General supplies	4,563	(203)	4,360	1,776	2,584
Total undistributed expend. - required maintenance for school facilities	41,493	19,862	61,355	36,865	24,490
Undistributed expend. - custodial services:					
Salaries	104,537	(40,130)	64,407	64,405	2
Purchased professional and technical services	21,500	26,941	48,441	45,963	2,478
Cleaning, repair, and maintenance services	16,525	7,346	23,871	12,540	11,331
Other purchased property services	4,000		4,000	3,939	61
Insurance	12,000	(1,002)	10,998	10,998	
General supplies	10,137	2,888	13,025	13,024	1
Energy (heat and electricity)	62,350	3,026	65,376	65,375	1
Other objects	1,000	(700)	300	214	86
Total undistributed expend. - custodial services	232,049	(1,631)	230,418	216,458	13,960
Undistributed expend. - care and upkeep of grounds:					
Cleaning, repair, and maintenance services	4,000	(1,910)	2,090	1,862	228
General supplies	3,675	(2,746)	929	860	69
Total undistributed expend. - care and upkeep of grounds	7,675	(4,656)	3,019	2,722	297
Undistributed expend. - security:					
Purchased professional - technical services		500	500	24	476
Cleaning, repair, and maintenance services	2,900	(314)	2,586	2,585	1
General supplies	250	300	550	435	115
Total undistributed expend. - security	3,150	486	3,636	3,044	592
Total undistributed expend. - oper. & maint. of plant services	284,367	14,061	298,428	259,089	39,339

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - student transportation services:					
Contract services - aid in lieu of payments	9,000	(1,000)	8,000	5,419	2,581
Contract transportation - other vendors	5,500	(259)	5,241	955	4,286
Contract transportation - joint agreement - special	29,400	(14,672)	14,728	12,057	2,671
Total undistributed expend. - student transportation services:	43,900	(15,931)	27,969	18,431	9,538
Unallocated benefits - employee benefits:					
Social security contributions	55,000	(149)	54,851	52,679	2,172
Other retirement contributions - PERS	35,000	(7,726)	27,274	27,274	
Other retirement contributions - regular	12,000	60	12,060	12,060	
Workmen's compensation	17,000	(2,000)	15,000	14,980	20
Health benefits	375,409	(62,607)	312,802	302,925	9,877
Tuition reimbursement	5,000	(5,000)			
Other employee benefits	22,340	7,645	29,985	28,632	1,353
Unused sick payments to terminated/retired staff		8,275	8,275	8,275	
Total unallocated benefits - employee benefits	521,749	(61,502)	460,247	446,825	13,422
On-behalf contributions:					
TPAF post-retirement medical (on-behalf - non-budgeted)				105,932	(105,932)
TPAF pensions contributions (on-behalf - non-budgeted)				285,545	(285,545)
TPAF long term disability insurance (on-behalf - non-budgeted)				160	(160)
Reimbursed TPAF social security contributions (non-budgeted)				104,730	(104,730)
Total on-behalf contributions				496,367	(496,367)
Total personal services - employee benefits	521,749	(61,502)	460,247	943,192	(482,945)
Total undistributed expenditures	1,785,500	60,082	1,845,582	2,276,712	(431,130)
Total general current expense	3,261,680	413	3,262,093	3,651,254	(389,161)

BOROUGH OF WENONAH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay:					
Facilities acquisition and construction:					
Architectural/engineering services	2,424		2,424	2,413	11
Construction services	55,486	10,918	66,404	66,028	376
Assessment for debt service on SDA funding	10,349	10,349	20,698	10,349	10,349
Total facilities acquisition and construction	<u>68,259</u>	<u>21,267</u>	<u>89,526</u>	<u>78,790</u>	<u>10,736</u>
Assets acquired under capital leases (non-budgeted):					
Undistributed expenditures:					
School administration				62,225	(62,225)
Total assets acquired und capital leases (non-budgeted)				<u>62,225</u>	<u>(62,225)</u>
Total capital outlay	<u>68,259</u>	<u>21,267</u>	<u>89,526</u>	<u>141,015</u>	<u>(51,489)</u>
Total expenditures	<u>3,329,939</u>	<u>21,680</u>	<u>3,351,619</u>	<u>3,792,269</u>	<u>(440,650)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,738)</u>	<u>(21,680)</u>	<u>(101,418)</u>	<u>36,794</u>	<u>1,019,512</u>
Other financing sources (uses):					
Operating transfers in(out):					
Capital reserve		10,349	10,349		10,349
Maintenance reserve		11,331	11,331		11,331
Capital leases (non-budgeted)				62,225	(62,225)
Total other financing sources (uses)		<u>21,680</u>	<u>21,680</u>	<u>62,225</u>	<u>(40,545)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(79,738)</u>		<u>(79,738)</u>	<u>99,019</u>	<u>978,967</u>
Fund balance, July 1	<u>514,478</u>		<u>514,478</u>	<u>514,478</u>	
Fund balance, June 30	<u>\$ 434,740</u>		<u>\$ 434,740</u>	<u>\$ 613,497</u>	<u>\$ 978,967</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2020

Recapitulation:

Restricted Fund Balance:

Excess surplus designated for subsequent year's expenditures	\$ 96,758
Excess surplus current year	78,052
Capital reserve fund	90,365
Maintenance reserve fund	13,669

Assigned Fund Balance:

Designated for subsequent year's expenditures	22,618
Year-end encumbrances	31,616

Unassigned Fund Balance

280,419

613,497

Reconciliation to governmental fund statements (GAAP):

Last state aid payments not recognized on GAAP basis	(39,225)
--	----------

Fund balance per Governmental Funds (GAAP)

\$ 574,272

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	\$ 48,772		\$ 48,772	\$ 47,867	\$ (905)
Total revenues	<u>\$ 48,772</u>		<u>\$ 48,772</u>	<u>\$ 47,867</u>	<u>\$ (905)</u>
EXPENDITURES:					
Instruction:					
Other salaries for instruction	\$ 3,293		\$ 3,293	\$ 3,293	
Tuition	41,010		41,010	41,010	
General supplies	1,603		1,603	1,603	
Total instruction	<u>45,906</u>		<u>45,906</u>	<u>45,906</u>	
Support services:					
Salaries	1,900		1,900	1,883	\$ 17
Purchased professional - technical services	966		966	78	888
Total support services	<u>2,866</u>		<u>2,866</u>	<u>1,961</u>	<u>905</u>
Total expenditures	<u>\$ 48,772</u>		<u>\$ 48,772</u>	<u>\$ 47,867</u>	<u>\$ 905</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

BOROUGH OF WENONAH SCHOOL DISTRICT
 Required Supplementary Information
 Budget-to-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2020

Note A: Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 3,829,063	\$ 47,867
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
State aid payment recognized for GAAP purposes in the current year, previously recognized for budgetary purposes.	43,397	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(39,225)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 3,833,235	\$ 47,867
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 3,792,269	\$ 47,867
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.	\$ 3,792,269	\$ 47,867

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

BOROUGH OF WENONAH SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS
 Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0035937952%	0.0036047405%	0.0036612963%	0.0033166500%	0.0027943711%
District's proportionate share of the net pension liability (asset)	\$ 806,735	\$ 1,067,621	\$ 852,291	\$ 653,033	\$ 503,503
District's covered-employee payroll	251,180	232,914	214,189	225,958	197,104
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	321.18%	458.38%	397.92%	289.01%	255.45%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.59%	56.27%
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

BOROUGH OF WENOANH SCHOOL DISTRICT
 Schedule of District Contributions - PERS
 Last Five Fiscal Years

	Fiscal Year Ended				
	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Contractually required contribution	\$ 30,897	\$ 32,024	\$ 33,918	\$ 32,990	\$ 27,181
Contributions in relation to the contractually required contribution	<u>30,897</u>	<u>32,024</u>	<u>33,918</u>	<u>32,990</u>	<u>27,181</u>
Contribution deficiency (excess)	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
District's covered-employee payroll	\$ 251,180	\$ 232,914	\$ 214,189	\$ 225,958	\$ 197,104
Contributions as a percentage of covered-employee payroll	12.30%	13.75%	15.84%	14.60%	13.79%
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

BOROUGH OF WENONAH SCHOOL DISTRICT
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF
 Last Five Fiscal Years

	Fiscal Year Ended				
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's proportion of the net pension liability (asset)	0.0138760491%	0.0133539335%	0.0141541703%	0.0140272248%	0.0137462120%
District's proportionate share of the net pension liability (asset)	\$ 8,770,256	\$ 10,505,054	\$ 9,546,252	\$ 8,923,819	\$ 8,436,180
District's covered-employee payroll	1,423,504	1,393,463	1,376,540	1,421,944	1,422,554
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	616.10%	753.88%	693.50%	627.58%	593.03%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.59%
Measurement date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019

The data in the above schedule represents the allocation of the State of New Jersey's obligation *on behalf* of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation - 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also, on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS**

BOROUGH OF WENONAH SCHOOL DISTRICT
 Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Three Fiscal Years

	Fiscal Year Ended		
	2018	2019	2020
Total OPEB liability			
Service cost	\$ 309,029	\$ 258,085	\$ 229,671
Interest	240,815	279,380	267,930
Changes of benefit terms			
Differences between expected and actual experience		(432,807)	(1,083,329)
Changes of assumptions or other inputs	(972,114)	(778,462)	91,057
Member contributions	6,510	6,269	5,557
Benefit payments	(176,788)	(181,393)	(187,470)
Net change in total OPEB liability	(592,548)	(848,928)	(676,584)
Total OPEB liability - beginning	8,225,163	7,632,615	6,783,687
Total OPEB liability - ending	<u>\$ 7,632,615</u>	<u>\$ 6,783,687</u>	<u>\$ 6,107,103</u>
Covered employee payroll	\$ 1,785,015	\$ 1,647,902	\$ 1,619,658
Total OPEB liability as a percentage of covered employee payroll	427.59%	411.66%	377.06%

Notes to Schedule:

Changes of benefit terms:

There were no changes in benefit terms during the year.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

2018	3.58%
2019	3.87%
2020	3.58%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART III

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTE RELATED TO PENSIONS

NOTE 1: CONTRIBUTIONS

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

NOTE 2: ACTUARIAL ASSUMPTIONS

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

Inflation rate	2.75%
Salary increases:	
Through 2026	2.00 – 6.00% based on age
Thereafter	3.00 – 7.00% based on age
Investment rate of return	7.00%

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

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notice.shtml>.

**BOROUGH OF WENONAH SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTES RELATED TO OTHER POSTEMPLOYMENT BENEFITS

NOTE 3: CONTRIBUTIONS

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with NJSA 52:14-17.32f. According to NJSA 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 Teacher’s Pension and Annuity Fund (TPAF) or the Public Employees’ Retirement System (PERS). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement 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.

NOTE 4: ACTUARIAL ASSUMPTIONS

The total nonemployer OPEB liability as of June 30, 2019, was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 3.05% based on service years
Thereafter	1.55 – 3.05% based on service years
Salary increases (PERS):	
Through 2026	2.00 – 6.00% based on service years
Thereafter	3.00 – 7.00% based on service years

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

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

Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	Title II Part A	IDEA Basic	IDEA Preschool	Total 2020
REVENUES:				
Federal sources	\$ 2,838	\$ 41,736	\$ 3,293	\$ 47,867
Total revenues	<u>\$ 2,838</u>	<u>\$ 41,736</u>	<u>\$ 3,293</u>	<u>\$ 47,867</u>
EXPENDITURES:				
Instruction:				
Other salaries of instruction			\$ 3,293	\$ 3,293
Tuition		\$ 41,010		41,010
General supplies	\$ 877	726		1,603
Total instruction	<u>877</u>	<u>41,736</u>	<u>3,293</u>	<u>45,906</u>
Support services:				
Salaries	1,883			1,883
Purchased professional - technical services	78			78
Total support services	<u>1,961</u>			<u>1,961</u>
Total expenditures	<u>\$ 2,838</u>	<u>\$ 41,736</u>	<u>\$ 3,293</u>	<u>\$ 47,867</u>

PROPRIETARY FUNDS

BOROUGH OF WENONAH SCHOOL DISTRICT
Enterprise Fund
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2020

	Preschool Extended Care	Back to School Program
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 350	\$ 1,208
	<u> </u>	<u> </u>
NET POSITION		
Unrestricted	<u>\$ 350</u>	<u>\$ 1,208</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
Enterprise Fund
Combining Schedule of Revenues, Expenses,
and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2020

	Preschool Extended Care	Back to School Program
Operating revenues:		
Tuition	\$ 350	\$ 4,815
Operating expenses:		
Salaries		2,710
Employee benefits		207
Other expenses		690
Total operating expenses		<u>3,607</u>
Operating income (loss)	350	<u>1,208</u>
Total net position - ending	<u>\$ 350</u>	<u>\$ 1,208</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
Enterprise Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2020

	Preschool Extended Care	Back to School Program
	<u> </u>	<u> </u>
Cash flows from operating activities:		
Receipts from customers	\$ 350	\$ 3,395
Payments to employees		(2,710)
Payments for employee benefits		(207)
Payments to suppliers		(690)
	<u> </u>	<u> </u>
Net cash provided by (used for) operating activities	350	(212)
Balance - beginning of year		1,420
Balance - end of year	<u>\$ 350</u>	<u>\$ 1,208</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 350	\$ 1,208
	<u> </u>	<u> </u>
Net cash provided by (used for) operating activities	<u>\$ 350</u>	<u>\$ 1,208</u>

FIDUCIARY FUNDS

BOROUGH OF WENONAH SCHOOL DISTRICT
Combining Statement of Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Trust	Agency		Total 2020
	Unemployment Compensation Trust	Student Activities	Payroll	
ASSETS				
Cash and cash equivalents	\$ 26,294	\$ 16,364	\$ 10,881	\$ 53,539
Interfund receivable	7,879			7,879
Total assets	<u>\$ 34,173</u>	<u>16,364</u>	<u>10,881</u>	<u>61,418</u>
LIABILITIES				
Payroll deductions and withholdings			2,002	2,002
Due to student groups		16,364		16,364
Interfund payable			8,879	8,879
Total liabilities		<u>16,364</u>	<u>10,881</u>	<u>27,245</u>
NET POSITION				
Held in trust for unemployment Claims	<u>\$ 34,173</u>			<u>\$ 34,173</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

	Unemployment Compensation Trust
ADDITIONS:	
Contributions	\$ 3,908
Interest earned	54
Total additions	3,962
DEDUCTIONS:	
Unemployment claims	678
Total deductions	678
Change in net position	3,284
Net position - beginning	30,889
Net position - end	\$ 34,173

BOROUGH OF WENONAH SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 2020

	Balance July 1, 2019	Cash Receipts	Cash Disbursements	Balance June 30, 2020
SCHOOLS:				
Borough of Wenonah School	\$ 18,161	\$ 2,797	\$ 4,594	\$ 16,364

BOROUGH OF WENONAH SCHOOL DISTRICT
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS				
Cash and cash equivalents	\$ 4,748	\$ 2,331,084	\$ 2,324,951	\$ 10,881
Other receivables	222		222	
Total assets	<u>\$ 4,970</u>	<u>\$ 2,331,084</u>	<u>\$ 2,325,173</u>	<u>\$ 10,881</u>
LIABILITIES				
Accrued salaries and wages		\$ 1,362,565	\$ 1,362,565	
Payroll deductions and withholdings		964,527	962,525	\$ 2,002
Interfund payable	\$ 4,970	3,992	83	8,879
Total liabilities	<u>\$ 4,970</u>	<u>\$ 2,331,084</u>	<u>\$ 2,325,173</u>	<u>\$ 10,881</u>

LONG-TERM DEBT

BOROUGH OF WENONAH SCHOOL DISTRICT
 Schedule of Serial Bonds
 June 30, 2020

Issue	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Balance June 30, 2019	Paid	Balance June 30, 2020
			Date	Amount				
Refunding Bonds Series 2012	12/12/12	\$ 1,720,000	1/15/21	\$ 175,000	2.00%	<u>\$ 885,000</u>	<u>\$ 170,000</u>	<u>\$ 715,000</u>
			1/15/22	180,000	3.00%			
			1/15/23	185,000	3.00%			
			1/15/24	175,000	3.00%			

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

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Issued	Balance June 30, 2020
			Principal	Interest			
Communications Systems	5/21/20	3 Years	\$ 24,300	\$ 921	2.55%	\$ 24,300	\$ 24,300
Communications Systems	5/21/20	5 Years	37,925	2,559	2.69%	37,925	37,925
						<u>\$ 62,225</u>	<u>\$ 62,225</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 193,100		\$ 193,100	\$ 193,100	
Total revenues	<u>193,100</u>		<u>193,100</u>	<u>193,100</u>	
EXPENDITURES:					
Regular debt service:					
Interest	23,100		23,100	23,100	
Redemption of principal	170,000		170,000	170,000	
Total expenditures	<u>193,100</u>		<u>193,100</u>	<u>193,100</u>	

**STATISTICAL SECTION
(Unaudited)**

**BOROUGH OF WENONAH SCHOOL DISTRICT
Statistical Section**

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	108-113
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	114-117
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	118-121
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	122-123
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	124-128

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting District-wide information include information beginning in that year.

BOROUGH OF WENONAH SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 1,388,173	\$ 1,388,491	\$ 1,272,998	\$ 1,358,398	\$ 1,391,554	\$ 1,701,554	\$ 1,505,127	\$ 1,615,731	\$ 1,686,552	\$ 1,741,870
Restricted	49,247	21	1,990	67,919	14,402	8,717	107,002	148,133	241,860	333,078
Unrestricted	(19,707)	69,715	47,661	12,684	(588,170)	(496,775)	(647,408)	(9,228,480)	(718,187)	(648,872)
Total governmental activities net position	<u>\$ 1,417,713</u>	<u>\$ 1,458,227</u>	<u>\$ 1,322,649</u>	<u>\$ 1,439,001</u>	<u>\$ 817,786</u>	<u>\$ 1,213,496</u>	<u>\$ 964,721</u>	<u>\$ (7,464,616)</u>	<u>\$ 1,210,225</u>	<u>\$ 1,426,076</u>
Business-type activities:										
Unrestricted										<u>\$ 1,558</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 1,388,173	\$ 1,388,491	\$ 1,272,998	\$ 1,358,398	\$ 1,391,554	\$ 1,701,554	\$ 1,505,127	\$ 1,615,731	\$ 1,686,552	1,741,870
Restricted	49,247	21	1,990	67,919	14,402	8,717	107,002	148,133	241,860	333,078
Unrestricted	(19,707)	69,715	47,661	12,684	(588,170)	(496,775)	(647,408)	(9,228,480)	(718,187)	(647,314)
Total district-wide net position	<u>\$ 1,417,713</u>	<u>\$ 1,458,227</u>	<u>\$ 1,322,649</u>	<u>\$ 1,439,001</u>	<u>\$ 817,786</u>	<u>\$ 1,213,496</u>	<u>\$ 964,721</u>	<u>\$ (7,464,616)</u>	<u>\$ 1,210,225</u>	<u>\$ 1,427,634</u>

Source: District records

BOROUGH OF WENONAH SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES:										
Governmental activities:										
Instruction:										
Regular	\$ 1,226,088	\$ 1,690,781	\$ 1,825,597	\$ 1,780,630	\$ 1,890,688	\$ 1,761,767	\$ 1,925,377	\$ 1,459,564	\$ 1,295,688	\$ 1,198,314
Special education	121,736	245,788	287,774	333,128	272,820	265,818	258,613	275,049	194,877	192,330
Other special instruction	74,895	66,803	76,088	67,532	103,062	108,225	146,827	75,581	64,594	77,475
Other instruction	8,744	21,568	22,445	22,918	24,178	19,619	21,558	24,024	25,581	18,182
Support services:										
Tuition	6,311	10,030	45,806	15,316	3,059	23,180	40,340	139,015	110,757	129,753
Student & instructional related services	395,172	468,256	399,165	420,779	517,987	540,397	560,420	431,664	567,415	602,376
General administration services	165,992	211,630	226,716	231,300	249,776	257,701	255,144	213,841	161,450	183,284
School administration services	16,991	24,304	22,741	23,074	20,551	21,620	26,290	19,587	17,599	17,053
Central services	49,940	98,640	95,813	106,150	96,426	94,583	136,068	144,992	120,994	108,853
Administrative information technology							5,434	350	4,562	20,753
Plant operations & maintenance	205,280	264,448	301,354	287,005	321,802	269,920	346,385	295,252	236,054	286,418
Pupil transportation	55,026	20,812	41,158	55,765	32,479	28,231	38,309	48,513	32,227	18,431
Employee benefits	558,458							972,730	1,292,791	955,524
Interest on long-term debt	98,616	88,648	45,016	56,928	51,886	47,318	42,668	28,287	24,944	21,541
Capital outlay								10,762	11,585	12,386
Unallocated depreciation	133,398	14,144	16,902	16,351	15,413		15,907	15,924	15,787	15,678
Total governmental activities expenses	<u>3,116,647</u>	<u>3,225,852</u>	<u>3,406,575</u>	<u>3,416,876</u>	<u>3,600,127</u>	<u>3,438,379</u>	<u>3,819,340</u>	<u>4,155,135</u>	<u>4,176,905</u>	<u>3,858,351</u>
Business-type activities:										
Food service							16,375			
Preschool extended care								22,746	24,951	
Back to school program										3,607
Total business-type activities expenses							<u>16,375</u>	<u>22,746</u>	<u>24,951</u>	<u>3,607</u>
Total district-wide expenses	<u>\$ 3,116,647</u>	<u>\$ 3,225,852</u>	<u>\$ 3,406,575</u>	<u>\$ 3,416,876</u>	<u>\$ 3,600,127</u>	<u>\$ 3,438,379</u>	<u>\$ 3,835,715</u>	<u>\$ 4,177,881</u>	<u>\$ 4,201,856</u>	<u>\$ 3,861,958</u>
PROGRAM REVENUES:										
Governmental activities:										
Operating grants & contributions	\$ 259,781	\$ 325,496	\$ 354,625	\$ 311,430	\$ 361,583	\$ 411,061	\$ 467,208	\$ 64,400	\$ 52,637	\$ 47,867
Total governmental activities program revenues	<u>259,781</u>	<u>325,496</u>	<u>354,625</u>	<u>311,430</u>	<u>361,583</u>	<u>411,061</u>	<u>467,208</u>	<u>64,400</u>	<u>52,637</u>	<u>47,867</u>
Business-type activities:										
Charges for services:										
Food service							16,375			
Preschool extended care								20,400	15,300	350
Back to school program										4,815
Total business-type activities program revenues							<u>16,375</u>	<u>20,400</u>	<u>15,300</u>	<u>5,165</u>
Total district program revenues	<u>\$ 259,781</u>	<u>\$ 325,496</u>	<u>\$ 354,625</u>	<u>\$ 311,430</u>	<u>\$ 361,583</u>	<u>\$ 411,061</u>	<u>\$ 483,583</u>	<u>\$ 84,800</u>	<u>\$ 67,937</u>	<u>\$ 53,032</u>
Net (expense)/revenue:										
Governmental activities	\$ (2,856,866)	\$ (2,900,356)	\$ (3,051,950)	\$ (3,105,446)	\$ (3,238,544)	\$ (3,027,318)	\$ (3,352,132)	\$ (4,090,735)	\$ (4,124,268)	\$ (3,810,484)
Business-type activities								(2,346)	(9,651)	1,558
Total district-wide net expense	<u>\$ (2,856,866)</u>	<u>\$ (2,900,356)</u>	<u>\$ (3,051,950)</u>	<u>\$ (3,105,446)</u>	<u>\$ (3,238,544)</u>	<u>\$ (3,027,318)</u>	<u>\$ (3,352,132)</u>	<u>\$ (4,093,081)</u>	<u>\$ (4,133,919)</u>	<u>\$ (3,808,926)</u>

BOROUGH OF WENONAH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues & other changes in net position:										
Governmental activities:										
Property taxes levied for general purposes	\$ 2,254,431	\$ 2,299,520	\$ 2,368,498	\$ 2,449,242	\$ 2,498,226	\$ 2,548,190	\$ 2,599,154	\$ 2,651,137	\$ 2,704,160	\$ 2,781,084
Taxes levied for debt service	188,118	154,292	203,715	183,128	193,580	194,100	189,450	194,800	196,500	193,100
Unrestricted grants & contributions	419,618	463,813	492,139	498,031	500,334	504,785	506,059	987,153	1,325,160	973,075
Tuition received	5,161	16,812	16,669	88,422	48,080	12,337	35,368	42,450	38,350	38,625
Investment earnings	686	1,405	3,700	1,996	1,901		1,289	963	1,398	1,469
Miscellaneous income	2,013	5,028	6,660	1,176	2,693	6,616	2,547	3,921	1,375	38,982
Fixed asset adjustment			11,004	7,772			14,494	1,754		
Assets acquired under capital lease			(85,961)							
Proceeds from bond refinancing			(94,000)							
Compensated absence adjustment	(11,033)		2,948	(16,969)	4,424		(1,491)	4,382		
Prior year receivable canceled									(15)	
Total governmental activities	2,858,994	2,940,870	2,925,372	3,212,798	3,249,238	3,266,028	3,346,870	3,886,560	4,266,928	4,026,335
Business-type activities:										
Transfers								2,346	9,651	
Total business-type activities								2,346	9,651	
Total district-wide	\$ 2,858,994	\$ 2,940,870	\$ 2,925,372	\$ 3,212,798	\$ 3,249,238	\$ 3,266,028	\$ 3,346,870	\$ 3,888,906	\$ 4,276,579	\$ 4,026,335
Change in net position:										
Governmental activities	\$ 2,128	\$ 40,514	\$ (126,578)	\$ 107,352	\$ 10,694	\$ 238,710	\$ (5,262)	\$ (204,175)	\$ 142,660	\$ 215,851
Business-type activities										1,558
Total district-wide	\$ 2,128	\$ 40,514	\$ (126,578)	\$ 107,352	\$ 10,694	\$ 238,710	\$ (5,262)	\$ (204,175)	\$ 142,660	\$ 217,409

Source: District records

BOROUGH OF WENONAH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 18	\$ 50,019	\$ 112,327	\$ 174,331	\$ 278,844
Assigned		52,272	23,000	134,073	14,383	73,698	86,983	35,805	67,529	54,234
Unassigned	86,763	129,273	11,969	56,248	146,753	184,446	154,227	231,009	229,221	241,149
Total general fund	<u>\$ 86,781</u>	<u>\$ 181,563</u>	<u>\$ 34,987</u>	<u>\$ 190,339</u>	<u>\$ 161,154</u>	<u>\$ 258,162</u>	<u>\$ 291,229</u>	<u>\$ 379,141</u>	<u>\$ 471,081</u>	<u>\$ 574,227</u>
All other governmental funds:										
Restricted for:										
Capital projects	\$ 49,226									
Debt service fund		\$ 3	\$ 10,973	\$ 21	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Total all other governmental funds	<u>\$ 49,226</u>	<u>\$ 3</u>	<u>\$ 10,973</u>	<u>\$ 21</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

Source: District records

BOROUGH OF WENONAH SCHOOL DISTRICT
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES:										
Tax levy	\$ 2,442,549	\$ 2,453,812	\$ 2,572,213	\$ 2,632,370	\$ 2,691,806	\$ 2,742,290	\$ 2,788,604	\$ 2,845,937	\$ 2,900,660	\$ 2,974,184
Tuition charges	5,161	16,812	16,669	88,422	48,080	12,337	35,368	42,450	38,350	38,625
Interest earnings	20						1	100	1,398	1,469
Miscellaneous	2,658	10,065	6,078	3,941	8,824	9,116	5,336	11,726	6,484	38,982
State sources	620,968	707,092	790,112	754,921	804,250	844,544	901,637	987,153	1,014,954	973,075
Federal sources	58,431	78,585	55,152	53,770	53,437	68,802	70,130	57,459	47,528	47,867
Total revenue	3,129,787	3,266,366	3,440,224	3,533,424	3,606,397	3,677,089	3,801,076	3,944,825	4,009,374	4,074,202
EXPENDITURES:										
Instruction:										
Regular instruction	1,226,088	1,224,569	1,303,682	1,302,703	1,310,213	1,230,982	1,290,425	1,188,064	1,235,565	1,138,600
Special education instruction	121,735	189,253	223,339	278,664	211,626	177,913	202,069	203,852	190,095	187,580
Other special instruction	74,895	50,225	55,450	54,653	87,529	87,453	90,851	74,170	63,196	76,086
Other instruction	8,744	15,441	16,184	16,230	19,157	18,030	16,514	20,438	25,581	18,182
Support services:										
Tuition	6,311	10,030	45,806	15,316	3,059	23,180	40,340	139,015	110,757	129,753
Student & instruction related services	395,172	392,138	343,738	362,136	449,235	449,576	423,768	406,420	548,385	600,880
General administration	165,992	172,930	178,331	179,868	195,629	195,690	194,264	174,927	160,673	182,512
School administrative services	16,991	16,614	14,525	14,496	16,067	18,312	18,100	18,781	16,800	16,259
Central services	49,940	77,933	74,802	74,418	78,471	78,809	104,130	125,370	119,938	107,804
Administrative information technology							5,434	350	4,562	20,753
Plant operations & maintenance	205,280	196,743	232,185	218,586	249,800	217,742	234,416	233,104	208,538	259,089
Pupil transportation	55,026	20,812	41,158	55,765	32,480	28,231	38,309	48,513	32,227	18,431
Employee benefits	558,458	632,495	733,603	719,740	778,386	849,714	897,115	953,777	972,522	943,192
Capital outlay	64,644	18,108	98,244	10,349	10,349	10,349	22,824	75,332	32,080	78,790
Debt services:										
Principal	115,000	120,000	150,000	145,000	150,000	155,000	155,000	165,000	170,000	170,000
Interest	88,118	83,517	48,529	49,100	43,600	39,100	34,450	29,800	26,500	23,100
Total expenditures	3,152,394	3,220,808	3,559,576	3,497,024	3,635,601	3,580,081	3,768,009	3,856,913	3,917,419	3,971,011
Excess (deficiency) of revenues over (under) expenditures	(22,607)	45,558	(119,352)	36,400	(29,204)	97,008	33,067	87,912	91,955	103,191
Other financing sources (uses):										
Transfers in (out)	15,021									
Excess of costs of issuance			5,783							
Capital leases (non-budgeted)			85,961							
Prior year receivable canceled									(15)	
Total other financing sources (uses)	15,021		91,744						(15)	
Net change in fund balance	\$ (7,586)	\$ 45,558	\$ (27,608)	\$ 36,400	\$ (29,204)	\$ 97,008	\$ 33,067	\$ 87,912	\$ 91,940	\$ 103,191
Debt service as a percentage of noncapital expenditures	7.04%	6.79%	6.08%	5.90%	5.64%	5.75%	5.33%	5.43%	5.33%	5.22%

Source: District records

BOROUGH OF WENONAH SCHOOL DISTRICT
 General Fund Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Contributions/ Donations	Interest Earnings	Rentals	Miscellaneous	Annual Totals
2011		\$ 645		\$ 2,013	\$ 2,658
2012	\$ 3,632	1,405	\$ 800	4,228	10,065
2013	1,500	3,700	250	628	6,078
2014	770	1,996	750	426	3,942
2015	4,230	1,901	700	1,993	8,824
2016	2,500	1,132	800	4,684	9,116
2017	1,500	1,289	527	2,020	5,336
2018	100	863	2,512	1,309	4,784
2019				1,375	1,375
2020				38,982	38,982

Source: District records

BOROUGH OF WENONAH SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2011	2,349,500	284,308,500	5,614,000			292,272,000	249,581	292,521,581	272,427,445	0.837
2012	1,957,800	251,261,700	7,374,400			260,593,900	243,037	260,836,937	230,528,596	0.964
2013	1,841,700	247,267,300	6,924,300			256,033,300	243,865	256,277,165	240,884,196	1.016
2014	1,751,700	244,644,600	7,274,300			253,670,600		253,670,600	240,495,923	1.050
2015	1,707,700	216,444,800	6,486,700			224,639,200		224,639,200	232,947,471	1.210
2016	1,382,800	216,886,900	6,159,100			224,428,800		224,428,800	226,253,146	1.233
2017	1,322,300	216,085,600	5,934,300			223,342,200		223,342,200	222,819,087	1.262
2018	761,300	215,293,900	5,567,800			221,623,000		221,623,000	217,844,434	1.297
2019	663,000	213,807,300	5,540,500			220,010,800		220,010,800	221,590,713	1.336
2020	643,900	211,490,900	6,065,500			218,200,300		218,200,300	221,036,535	1.376

Source: Gloucester County Abstract of Ratables

BOROUGH OF WENONAH SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 (Rate Per \$100 of Assessed Value)
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Borough of Wenonah School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Gateway High School Tax Rate	Borough of Wenonah	Gloucester County	
2011	0.778	0.059	0.837	0.654	0.651	0.503	2.645
2012	0.896	0.069	0.965	0.802	0.679	0.468	2.914
2013	0.941	0.075	1.016	0.874	0.706	0.564	3.160
2014	0.976	0.074	1.050	1.007	0.711	0.582	3.350
2015	1.123	0.086	1.209	1.212	0.802	0.678	3.901
2016	1.148	0.085	1.233	1.276	0.799	0.679	3.987
2017	1.176	0.086	1.262	1.344	0.799	0.669	4.074
2018	1.209	0.088	1.297	1.332	0.817	0.628	4.074
2019	1.245	0.091	1.336	1.381	0.739	0.689	4.145
2020	1.287	0.089	1.376	1.429	0.701	0.707	4.213

Source: Municipal Tax Collector

BOROUGH OF WENONAH SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
First Union National Bank	975,700	1	0.44%			
Individual Taxpayer 1	850,000	2	0.38%			
Individual Taxpayer 2	834,800	3	0.38%			
Individual Taxpayer 3	675,700	4	0.31%			
Individual Taxpayer 4	668,700	5	0.30%		Not Available	
Individual Taxpayer 5	663,700	6	0.30%			
Individual Taxpayer 6	646,800	7	0.29%			
Individual Taxpayer 7	600,200	8	0.27%			
Individual Taxpayer 8	590,400	9	0.27%			
Individual Taxpayer 9	585,200	10	0.26%			
	<u>7,676,400</u>		<u>3.47%</u>			

Source: Municipal Tax Assessor

BOROUGH OF WENONAH SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 2,442,549	\$ 2,442,549	100.00%	
2012	2,453,812	2,453,812	100.00%	
2013	2,572,213	2,572,213	100.00%	
2014	2,632,370	2,632,370	100.00%	
2015	2,691,806	2,691,806	100.00%	
2016	2,742,290	2,742,290	100.00%	
2017	2,788,604	2,788,604	100.00%	
2018	2,845,937	2,845,937	100.00%	
2019	2,900,660	2,900,660	100.00%	
2020	2,974,184	2,974,184	100.00%	

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

BOROUGH OF WENONAH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases			
2011	\$ 2,001,000	\$ 7,789	\$ 2,008,789	2.12%	882
2012	1,881,000		1,881,000	1.91%	827
2013	1,825,000		1,825,000	1.81%	804
2014	1,680,000		1,680,000	1.65%	743
2015	1,530,000		1,530,000	1.46%	678
2016	1,375,000		1,375,000	1.25%	610
2017	1,220,000		1,220,000	1.03%	543
2018	1,055,000		1,055,000	0.87%	475
2019	885,000		885,000	N/A	400
2020	715,000	62,225	777,225	N/A	N/A

N/A - At the time of CAFR completion, this data was not available.

BOROUGH OF WENONAH SCHOOL DISTRICT
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2011	\$ 2,001,000		\$ 2,001,000	0.68%	898
2012	1,881,000		1,881,000	0.64%	827
2013	1,825,000		1,825,000	0.70%	804
2014	1,680,000		1,680,000	0.66%	743
2015	1,530,000		1,530,000	0.60%	678
2016	1,375,000		1,375,000	0.61%	610
2017	1,220,000		1,220,000	0.54%	543
2018	1,055,000		1,055,000	0.47%	475
2019	885,000		885,000	0.40%	400
2020	715,000		715,000	0.32%	N/A

N/A - At the time of CAFR completion, this data was not available.

BOROUGH OF WENONAH SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 as of December 31, 2019
 Unaudited

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Borough of Wenonah	\$ 1,471,232	100.00%	\$ 1,471,232
Gloucester County General Obligation Debt	227,739,500	0.82%	1,885,596
Gateway Regional School District debt	4,340,000	24.80%	1,076,462
Subtotal, overlapping debt			4,433,290
Borough of Wenonah District direct debt			715,000
Total direct and overlapping debt			<u>\$ 5,148,290</u>

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

BOROUGH OF WENONAH SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

	Equalized valuation basis
	2019 \$ 222,773,188
	2018 223,117,890
	2017 219,436,235
	<u> \$ 665,327,313</u>
Average equalized valuation of taxable property	<u> \$ 221,775,771</u>
Debt limit (2 1/2% of average equalized value)	\$ 5,544,394
Total net debt applicable to limit	<u> 715,000</u>
Legal debt margin	<u> \$ 4,829,394</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 7,010,454	\$ 6,789,873	\$ 6,491,207	\$ 6,212,859	\$ 6,009,615	\$ 5,855,911	\$ 5,699,124	\$ 5,579,983	\$ 5,552,969	\$ 5,544,394
Total net debt applicable to limit	<u>2,001,000</u>	<u>1,881,000</u>	<u>1,825,000</u>	<u>1,680,000</u>	<u>1,530,000</u>	<u>1,375,000</u>	<u>1,220,000</u>	<u>1,055,000</u>	<u>885,000</u>	<u>715,000</u>
Legal debt margin	<u>\$ 5,009,454</u>	<u>\$ 4,908,873</u>	<u>\$ 4,666,207</u>	<u>\$ 4,532,859</u>	<u>\$ 4,479,615</u>	<u>\$ 4,480,911</u>	<u>\$ 4,479,124</u>	<u>\$ 4,524,983</u>	<u>\$ 4,667,969</u>	<u>\$ 4,829,394</u>
Total net debt applicable to the limit as a percentage of debt limit	28.54%	27.70%	28.11%	27.04%	25.46%	23.48%	21.41%	18.91%	15.94%	12.90%

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

BOROUGH OF WENONAH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income *	Unemployment Rate
2011	2,278	\$ 94,564,336	\$ 41,512	9.20%
2012	2,275	98,359,625	43,235	9.00%
2013	2,271	100,814,232	44,392	9.20%
2014	2,261	101,769,871	45,011	3.90%
2015	2,255	105,089,765	46,603	4.90%
2016	2,254	109,992,946	48,799	4.60%
2017	2,248	118,033,488	52,506	3.60%
2018	2,222	121,643,390	54,745	2.90%
2019	2,212	N/A	N/A	2.40%
2020	N/A	N/A	N/A	N/A

N/A At the time of CAFR completion, this data was not available.

* Represents information for Gloucester County.

Source:

Population information provided by the NJ Department of Labor and Workforce Development. Personal income has been estimated based upon the municipal population and per capita per personal income presented.

Per capita personal income estimated based upon the Census published by the U.S. Bureau of Economic Analysis.

Unemployment data provided by the NJ Department of Labor and Workforce Development.

BOROUGH OF WENONAH SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago
Unaudited

Employer	2020			2011		
	Employees	Rank	% of Total Municipal Employment	Employees	Rank	% of Total Municipal Employment
Amazon	4,500	1	N/A			
Rowan University	3,500	2	N/A	1,300	4	N/A
Inspira Health	2,051	3	N/A			
Jefferson Health	2,015	4	N/A			
Washington Township School District	1,550	5	N/A	1,504	2	N/A
Shop Rite	1,300	6	N/A			
County of Gloucester	1,200	7	N/A	1,500	3	N/A
US Foodservices	1,014	8	N/A	800	7	N/A
Monroe Township School District	805	9	N/A	714	8	N/A
Walmart - Turnersville	800	10	N/A			
Underwood Memorial Hospital				1,825	1	N/A
Kennedy Health Alliance				1,200	5	N/A
Missa Bay, LLC				950	6	N/A
Valero				640	9	N/A
Goodwin Pumps				640	10	N/A
	18,735			11,073		

Source: Gloucester County Department of Economic Development

Note: The information provided is for the County of Gloucester. Information at the municipal level is not available.

BOROUGH OF WENONAH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	19.9	19.9	19.8	18.7	19.2	18.8	18.6	18.8	17.7	17.4
Special education	5.5	6.0	4.6	5.2	4.0	3.6	2.1	2.3	2.3	2.3
Other special education			0.5	0.5	1.4	1.4	1.4	1.4		
Support Services										
Student & instruction related services	4.9	6.1	8.0	9.2	9.3	8.9	8.8	8.6	8.9	9.6
General administration	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
School administration	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Central services	0.7	0.8	1.2	1.2	1.2	1.2	1.4	1.4	1.4	1.4
Plant operations and maintenance	2.6	2.6	2.8	3.3	3.4	3.1	2.6	1.6	2.6	2.6
Total	<u>35.7</u>	<u>37.5</u>	<u>39.0</u>	<u>40.2</u>	<u>40.6</u>	<u>39.1</u>	<u>37.0</u>	<u>36.2</u>	<u>35.0</u>	<u>35.4</u>

Source: District Personnel Records

BOROUGH OF WENONAH SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
2011	253	\$ 2,884,632	\$ 11,402	3.21%	21.9	11.55:1	250	241	0.40%	96%
2012	245	2,884,632	11,774	3.27%	21.9	11.19:1	247	238	-1.20%	96%
2013	247	2,999,191	12,142	3.13%	23.3	10.52:1	245	235	-0.81%	96%
2014	227	3,292,803	14,506	19.46%	23.8	9.55:1	224	216	-8.57%	96%
2015	209	3,292,575	15,754	8.60%	24.5	8.53:1	208	200	-7.14%	96%
2016	193	3,431,652	17,781	12.86%	22.9	8.43:1	196	188	-5.77%	96%
2017	177	3,375,632	19,071	7.26%	24.1	7.36:1	177	170	-9.69%	96%
2018	182	3,555,734	19,537	2.44%	22.5	8.08:1	179	173	1.13%	97%
2019	175	3,586,781	20,496	4.91%	19.5	8.98:1	176	170	-1.68%	97%
2020	170	3,699,121	21,760	6.17%	19.7	8.42:1	167	163	-5.11%	98%

Source: Enrollment based on annual October District count.

BOROUGH OF WENONAH SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary										
Square Feet	37,738	37,738	37,738	37,738	37,738	37,738	37,738	37,738	37,738	37,738
Capacity (students)	371	371	371	371	371	371	371	371	371	371
Enrollment	253	245	247	227	209	193	177	182	175	170

Number of Schools at June 30, 2019
 Elementary = 1

Source: District Office

BOROUGH OF WENONAH SCHOOL DISTRICT
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Gross Square	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Elementary	37,738	\$ 18,867	\$ 15,460	\$ 38,545	\$ 27,227	\$ 25,697	\$ 18,814	\$ 37,825	\$ 16,471	\$ 18,435	\$ 36,885	\$ 254,226

* School facilities as defined under EFCFA.
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

Source: District records

BOROUGH OF WENONAH SCHOOL DISTRICT
Insurance Schedule
June 30, 2020
Unaudited

The Borough of Wenonah School District has retained insurance through the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The following is a summary of the coverage obtained thru this fund.

	Coverage	
I. Property, Inland Marine, and Automobile Physical Damages		
A. Limit of Liability	\$ 175,000,000	Per Occurrence
1. GCSSDJIF Self Insured Retention	250,000	Per Occurrence
2. Member District Deductible	500	Per Occurrence
3. Perils Included	"All Risk"	
B. Property Valuation		
1. Buildings and Contents	Replacement Cost	
2. Contractors Equipment	Actual Cash Value	
3. Automobiles	Replacement Cost	
II. Boiler and Machinery		
A. Limit of Liability	125,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	1,000	
III. Crime		
A. Limit of Liability	500,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	500	
IV. General and Automobile Liability		
A. Limit of Liability	20,000,000	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
V. Workers' Compensation		
A. Limit of Liability	Statutory	
1. GCSSDJIF Self Insured Retention	250,000	
2. Member District Deductible	None	
VI. Educator's Legal Liability		
A. Limit of Liability	20,000,000	
1. GCSSDJIF Self Insured Retention	175,000	
2. Member District Deductible	None	
VII. Pollution Legal Liability		
A. Limit of Liability	3,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	25,000	
3. Member District Deductible - Mold Incident	100,000	
VIII. Cyber Liability		
A. Limit of Liability	1,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	25,000	
IX. Violent Malicious Acts		
A. Limit of Liability	1,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	15,000	
X. Disaster Management Services		
A. Limit of Liability	2,000,000	
1. GCSSDJIF Self Insured Retention	None	
2. Member District Deductible	15,000	
Public employees' faithful performance bonds - Hanover Insurance Group		
Surety Bond -School Business Administrator/Board Secretary	145,000	

Source: District records

SINGLE AUDIT SECTION

PETRONI & ASSOCIATES LLC

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EXHIBIT K-1

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

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Borough of Wenonah School District
200 North Clinton Avenue
Wenonah, New Jersey 08090

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

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies 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 Wenonah School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

December 18, 2020

PETRONI & ASSOCIATES LLC

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EXHIBIT K-2

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB'S CIRCULAR 15-08

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Borough of Wenonah School District
200 North Clinton Avenue
Wenonah, New Jersey 08090

Report on Compliance for Each Major State Program

We have audited the Wenonah School District's compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Wenonah School District's major state programs for the year ended June 30, 2020. Wenonah 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Wenonah 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those

standards, Uniform Guidance and New Jersey OMB Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Wenonah 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 Wenonah School District's compliance.

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Wenonah School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Wenonah 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 New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Wenonah 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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards and State Financial Assistance
Required by the Uniform Guidance and New Jersey OMB's Circular 15-08**

We have audited the financial statements Wenonah School District as of and for the year ended June 30, 2020, and have issued our report thereon dated December 18, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542
Glassboro, New Jersey

December 18, 2020

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2020			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education																
Special Revenue Fund:																
IDEA Part B, Basic Regular	84.027	H027A170100	FT559020	\$ 41,736	7/1/19	6/30/20			\$ 29,157	\$ (41,736)			\$ (12,579)			\$ 71,736
IDEA Part B, Basic Regular	84.027	H027A170100	FT559019	42,403	7/1/18	6/30/19	\$ (11,610)		11,610							42,043
Subtotal	84.027						<u>(11,610)</u>		<u>40,767</u>	<u>(41,736)</u>			<u>(12,579)</u>			
IDEA Part B, Preschool	84.173	H173A170114	FT559020	3,293	7/1/19	6/30/20			2,305	(3,293)			(988)			3,293
IDEA Part B, Preschool	84.173	H173A170114	FT559019	3,286	7/1/18	6/30/19	(985)		985							3,286
Subtotal	84.173						<u>(985)</u>		<u>3,290</u>	<u>(3,293)</u>			<u>(988)</u>			
Total Special Education Cluster							<u>(12,595)</u>		<u>44,057</u>	<u>(45,029)</u>			<u>(13,567)</u>			
Title II Part A	84.367A	S367A170029	NCLB559020	3,743	7/1/19	6/30/20			2,739	(2,838)			(101)			2,838
Title II Part A	84.367A	S367A170029	NCLB559019	2,623	7/1/18	6/30/19	(1,424)		1,424							1,629
Subtotal	84.367A						<u>(1,424)</u>		<u>4,163</u>	<u>(2,838)</u>			<u>(101)</u>			
Title IV	84.424	S424A170031	NCLB559019	210	7/1/18	6/30/19	(210)		210							210
Total Special Revenue Fund							<u>(14,229)</u>		<u>48,430</u>	<u>(47,867)</u>			<u>(13,668)</u>			<u>125,035</u>
Total Federal Financial Awards							<u>\$ (14,229)</u>		<u>\$ 48,430</u>	<u>\$ (47,867)</u>			<u>\$ (13,668)</u>			<u>\$ 125,035</u>

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

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

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2020			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Extraordinary Aid	20-100-034-5120-473	\$ 30,419	7/1/19	6/30/20					\$ (30,419)		\$ (30,419)			\$ 30,419	
Extraordinary Aid	19-100-034-5120-473	20,008	7/1/18	6/30/19	\$ (20,008)		\$ 20,008							20,008	
Special Education Categorical Aid	20-495-034-5120-089	134,037	7/1/19	6/30/20			134,037	(134,037)					\$ 11,904	134,037	
Equalization Aid	20-495-034-5120-078	308,080	7/1/19	6/30/20			308,080	(308,080)					27,321	308,080	
Reimbursement of Nonpublic Transportation	N/A	2,610	7/1/18	6/30/19	(2,610)		2,610							2,610	
On-behalf TPAF Pension Contribution	20-495-034-5094-002	285,545	7/1/19	6/30/20			285,545	(285,545)						285,545	
On-behalf TPAF Post-retirement Contribution	20-495-034-5094-001	105,932	7/1/19	6/30/20			105,932	(105,932)						105,932	
On-behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	160	7/1/19	6/30/20			160	(160)						160	
Reimbursed TPAF Social Security Aid	20-495-034-5094-003	104,730	7/1/19	6/30/20			99,520	(104,730)			(5,210)			104,730	
Reimbursed TPAF Social Security Aid	19-495-034-5094-003	106,074	7/1/18	6/30/19	(5,163)		5,163							106,074	
Total General Fund					(27,781)		961,055	(968,903)			(35,629)		39,225	1,097,595	
Total State Financial Assistance					\$ (27,781)		\$ 961,055	\$ (968,903)			\$ (35,629)		\$ 39,225	\$ 1,097,595	
Less: On-behalf TPAF Pension System Contributions															
On-behalf TPAF Pension Contribution	20-495-034-5094-002							(285,545)							
On-behalf TPAF Post-retirement Contribution	20-495-034-5094-001							(105,932)							
On-behalf TPAF Non-Contributory Insurance	20-495-034-5094-004							(160)							
Total for State Financial Assistance - Major Program Determination								\$ (577,266)							

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

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 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 grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the one or more state aid June payments in the current budget year, consistent with NJSA 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,172 for the General Fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

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

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General fund		\$ 973,075	\$ 973,075
Special revenue fund	\$ 47,867		47,867
	<u>\$ 47,867</u>	<u>\$ 973,075</u>	<u>\$ 1,020,942</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2020. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2020.

NOTE 6: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

NOTE 7: INDIRECT COST RATE

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

**BOROUGH OF WENONAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? _____ yes _____ X _____ no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes _____ X _____ none reported

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

Federal Awards

N/A

Internal Control over major programs:

- 1) Material weakness(es) identified? _____ yes _____ no
- 2) Significant deficiencies identified that are not considered to be material weaknesses? _____ 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 2 CFR 200 SECTION .516(a)? _____ yes _____ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

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

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

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

Section I - Summary of Auditor's Results (Continued)

State Awards

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

Auditee qualified as low-risk auditee? X yes no

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? 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 NJ OMB's Circular 15-08? yes X no

Identification of major programs:

GMIS Number(s)

495-034-5120-078
495-034-5120-089

Name of State Program

State Aid Public Cluster:
Equalization Aid
Special Education Aid

**BOROUGH OF WENONAH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

No matters were reported

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

FEDERAL AWARDS

Not applicable

STATE AWARDS

No matters were reported

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

No matters were reported