ANNUAL COMPREHENSIVE FINANCIAL REPORT

JUNE 30, 2021

Responsibility of the Management of Kingwood Township School District Hunterdon County, New Jersey



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

T .	1 4	·		Page		
Int		ion Sectio r of Trans		1 - 4		
		nizational		5		
		er of Offic	cials Id Advisors	6 7		
	Cons	unams an	d Advisors	/		
Fi		Section				
	Indep	endent A	uditors' Report	8 - 10		
R	eauire	d Supple	mentary Information - Part I			
	-quii e		ment's Discussion and Analysis	11 - 18		
Ba	sic Fin	ancial Sta	atements			
	A.		Wide Financial Statements			
		A-1	Statement of Net Position	19 - 20		
		A-2	Statement of Activities	21		
	B.	Fund Financial Statements				
		Governi	mental Funds			
		B-1	Balance Sheet	22 - 23		
		B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	24 - 25		
		B-3	Reconciliation of the Statement of Revenues, Expenditures, and			
			Changes in Fund Balances of Governmental Funds to the Statement	26		
			of Activities	26		
		Propriet	ary Funds			
		B-4	Statement of Net Position	27		
		B-5	Statement of Revenues, Expenses, and Changes in Net Position	28		
		B-6	Statement of Cash Flows	29		
		Fiducia	ry Funds			
		B- 7	Statement of Net Position	N/A		
		B-8	Statement of Changes in Net Position	N/A		
		Notes to	the Financial Statements	30 - 65		

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS (continued)

Page

Rea	quired	l Supplei	mentary Information - Part II	
	C.		ry Comparison Schedules	
		C-1	General Fund - Budgetary Comparison Schedule	66 - 72
		C-1a	Combining Schedule of Revenues, Expenditures, and Changes in	
			Fund Balance - Budget and Actual	N/A
		C-1b	Community Development Block Grant - Budget and Actual	N/A
		C-2	Special Revenue Fund - Budgetary Comparison Schedule	73
	Notes	to the Re	equired Supplementary Information - Part II	
		C-3	Budget-to-GAAP Reconciliation	74
Rec	quired	l Suppler	nentary Information - Part III	
	L.	Schedul	es Related to Accounting and Reporting for Pensions (GASB 68)	
		L-1	Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	75
		L-2	Schedule of District's Contributions - Public Employees Retirement System	76
		L-3	Schedule of the District's Proportionate Share of the Net Pension	, 0
			Liability - Teacher's Pension and Annuity Fund	77
		L-4	Schedule of District's Contributions - Teacher's Pension and Annuity	
			Fund	78
	M.		es Related to Accounting and Reporting for Other Postemployment	
		Employ	yee Benefits (GASB 75)	
		M-1	Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability	79
	NT			0.0
	Notes	to the Re	equired Supplementary Information - Part III	80

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS (continued)

			Page					
		entary Information						
D.	School	l Based Budget Schedules	N/A					
Co	ombining a	nd Individual Non-Major Fund Financial Statements						
E.	-	l Revenue Fund						
	E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	81 - 82					
	E-2	Schedule of Preschool Education Aid Expenditure	N/A					
F.	Capita	1 Projects Fund						
	F-1	Summary Schedule of Project Expenditures	N/A					
	F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A					
	F-2a	Schedule of Project Revenues, Expenditures, Project Balance and						
		Project Status - Budgetary Basis	N/A					
G.	Proprie	Proprietary Funds						
	-	rise Fund						
	G-1	Statement of Net Position	N/A					
	G-2	Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A					
	G-3	Statement of Cash Flows	N/A					
H.	Fiducia	ary Funds	N/A					
I.	Long-	Long-Term Debt						
	I-1	Schedule of Serial Bonds	83					
	I-2	Schedule of Obligations under Capital Leases	N/A					
	I-3	Debt Service Fund - Budgetary Comparison Schedule	84					
Sta	atistical Se	ction						
J.	Statisti	ical Section						
	J-1	Net Position by Component	85					
	J-2	Changes in Net Position	86 - 88					
	J-3	Fund Balances - Governmental Funds	89					
	J-4	Changes in Fund Balances - Governmental Funds	90 - 91					
	J-5	General Fund - Other Local Revenues by Source	92					
	J-6	Assessed Value and Actual Value of Taxable Property	93					
	J-7	Direct and Overlapping Property Tax Rates	94					

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS (continued)

Page

J-8	tical Section (continued) Principal Property Taxpayers	95
J-9	Property Tax Levies and Collections	96
J-10	Ratios of Outstanding Debt by Type	97
J-11	Ratios of Net General Bonded Debt Outstanding	98
J-12	Direct and Overlapping Governmental Activities Debt	99
J-13	Legal Debt Margin Information	100
J-14	Demographic and Economic Statistics	101
J-15	Principal Employers	102
J-16	Full Time Equivalent District Employees by Function/Program	103
J-17	Operating Statistics	104
J-18	School Building Information	105
J-19	Schedule of Required Maintenance	106
J-20	Insurance Schedule	107

Single Audit Section K. Single Audit S

Single	Audit Section	
K-1	Independent Auditors' Report on Internal Control Over Financial	
	Reporting and on Compliance and Other Matters Based on an Audit	
	of Financial Statements Performed in Accordance with Government	
	Auditing Standards	108 - 109
K-2	Independent Auditors' Report on Compliance for Each Major Program	
	and on Internal Control Over Compliance Required by the New	
	Jersey OMB Circular Letter 15-08.	110 - 112
K-3	Schedule of Expenditures of Federal Awards, Schedule A	113
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	114
K-5	Notes to the Schedules of Expenditures of Federal Awards and State	
	Financial Assistance	115 - 116
K-6	Schedule of Findings and Questioned Costs	117 - 119
K-7	Summary Schedule of Prior Year Audit Findings and Questioned Costs	
	as Prepared by Management	120
	K-1 K-2 K-3 K-4 K-5 K-6	 Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the New Jersey OMB Circular Letter 15-08. K-3 Schedule of Expenditures of Federal Awards, Schedule A K-4 Schedule of Expenditures of State Financial Assistance, Schedule B K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance K-6 Schedule of Findings and Questioned Costs K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs

KINGWOOD TOWNSHIP BOARD OF EDUCATION

880 County Road 519 Frenchtown, New Jersey 08825

Rick Falkenstein Superintendent Phone: (908) 996-2941 x518 E-mail: rfalkenstein@kingwoodschool.org Fax: (908) 996-7268 Michele McCann Business Administrator/Board Secretary Phone: (908) 996-2941 x 516 E-mail: bberiont@kingwoodschool.org Fax: (908) 996-0075

February 9, 2022

Honorable President and Members of the Board of Education Kingwood Township School District 880 County Road 519 Frenchtown, New Jersey 08825

Dear Board Members:

The Annual Comprehensive Financial Report of the Kingwood Township School District for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introduction, financial, statistical and single audit. The introduction section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 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 of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

<u>1. REPORTING ENTITY AND ITS SERVICES</u>: Kingwood Township 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 Kingwood Township Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through eight as well as special education. The District completed the 2020-2021 fiscal year with an average daily enrollment of 342.0 students, which is a 4.06% decrease over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

	Average Daily Enrollment	
Fiscal Year	Student Enrollment	Percent Change
2011-2012	412.7	(3.64%)
2012-2013	408.7	(0.98%)
2013-2014	367.9	(9.98%)
2014-2015	360.3	(2.08%)
2015-2016	342.2	(5.29%)
2016-2017	343.5	0.38%
2017-2018	335.7	(2.27%)
2018-2019	330.6	(1.52%)
2019-2020	356.5	7.83%
2020-2021	342.0	(4.06%)
2020-2021	342.0	(4.06%)

2. ECONOMIC CONDITION AND OUTLOOK: The Kingwood Township Board of Education recognizes the ever-changing environment of financing education in the State of New Jersey. The School Funding Reform Act of 2008 established the formula for determining the level of state aid and local funding needed to educate all New Jersey public school children. This law also created a maximum tax levy increase, various budget restrictions, and set the maximum district fund balance at the higher of 2% of budget expenditures or \$250,000. Even with the ability to adjust up to 4% in the 2020-2021 school year, this amount is \$266,989. The New Jersey Department of Education releases the Education Adequacy Report for adjustments to the costs, weights, and aid amount in the State's school-funding formula on a yearly basis. Over the past several years, this formula has changed based on the State's budget, making it difficult to predict what state aid amount will be released to Kingwood School on a consistent basis. The Kingwood Township Board of Education, along with its excellent staff, believes it will continue to provide a comprehensive education for all of its children. Exceptional instructional programs continue to be offered and reviewed on a regular basis for improvements.

<u>3. MAJOR INITIATIVES</u>: The Kingwood Township School District continues to deliver highquality programs and maintain a fiscally responsible budget. The major initiatives for the 2020-2021 academic school year were remote learning and COVID safety protocols. Significant funding was allocated to ensure that students could return to school and remote students were provided with an equitable learning environment.

All students were given a device to allow for remote learning to be an option within the pandemic. Investing in the infrastructure to support this new learning platform was necessary. Teachers were provided with training to utilize Google Classroom and Zoom. We continue to ensure our students' social and emotional needs are being supported through Conscious Discipline. The staff utilizes a universal vocabulary for understanding SEL.

Now more than ever, the district will measure student growth along a developmental continuum to help teachers determine what individual children know and are able to do. Progress monitoring utilizing F&P and STAR math will ensure that students are appropriately progressing. The district created a new PreK-2 learning progression. This approach gives the teacher an opportunity to get to know every child through anecdotal evidence that is gathered throughout the day and year. The information collected is entered into an online portfolio.

Instead of students taking standardized tests, the students are assessed in their natural setting in authentic activities.

Our school district continues to be most fortunate in having the support and commitment of various parent and volunteer organizations. Our children benefited from a number of programs sponsored through the generosity of our PTA and the Kingwood Township Education Foundation. The District continues to be the center for activities within the community, not only academically but civically, opening its doors for many after-school and Saturday events.

4. INTERNAL ACCOUNT CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is 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 these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. This internal control structure is also subject to periodic evaluation by the District Management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the total budget amount. The final budgeted amounts, as amended, for the fiscal year are 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, 2021.

<u>6. ACCOUNTING SYSTEM AND REPORTS</u>: The District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues meeting its responsibilities for sound financial management.

8. DEBT ADMINISTRATION: At June 30, 2021, the District's outstanding debt was \$685,000. This debt was originally issued in July 2003 to finance a building addition and refunded in July 2011 for a net cash flow savings of \$116,604.

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

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

<u>11. OTHER INFORMATION:</u>

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of BKC, CPAs, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditor's report on the general-purpose financial statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Kingwood Township School District Board of Education for their dedication in providing fiscal accountability to the citizens and taxpayers of the school district and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office staff.

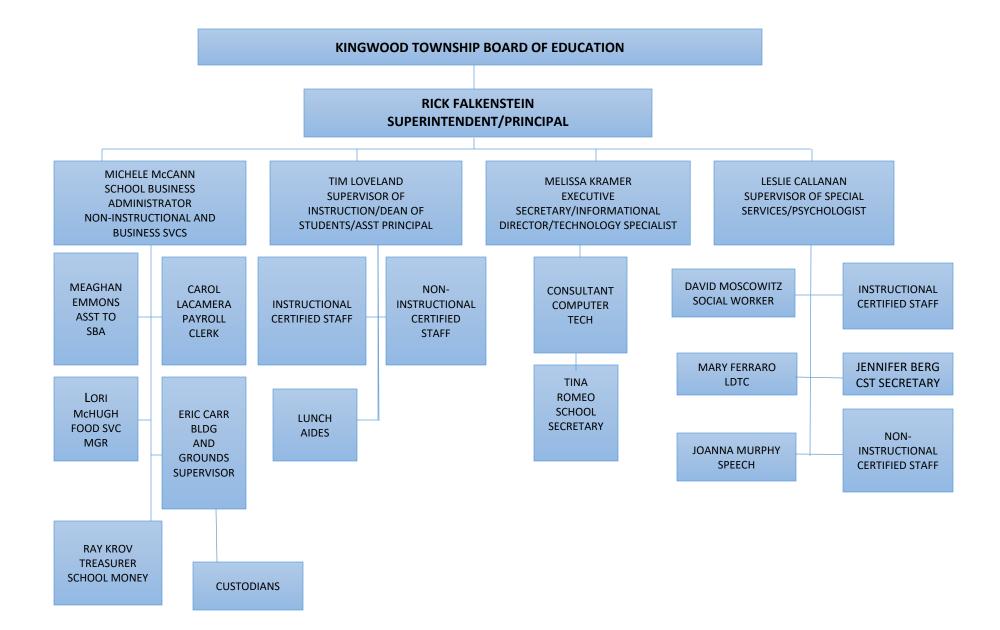
Respectfully submitted,

DocuSigned by:

Rick Falkenstein C7E40881E0E142D

Dr. Rick Falkenstein Chief School Administrator

Michele McCann School Business Administrator/Board Secretary



KINGWOOD TOWNSHIP SCHOOL DISTRICT 880 County Road 519 Frenchtown, NJ 08825 June 30, 2021

Roster of Officials

Members of the Board of Education	Title	Term Expires		
Paymon Jelvani	President	2021		
Kevin Bloom	Vice President	2021		
Sara Daly-Padron		2021		
Brandon Chadwick		2022		
Russell Pitzner		2022		
Donna Herbel		2023		
Andrew Russano		2023		
Shannon Sklodowsky		2023		
Geoff Vitale		2023		
Other Officials	Title			
Rick Falkenstein	Superintendent			
Michele McCann	Board Secretary/Schoo	ol Business Administrator		
Diane Laudenbach	School Treasurer			

KINGWOOD TOWNSHIP SCHOOL DISTRICT 880 County Road 519 Frenchtown, NJ 08825 June 30, 2021

Consultants and Advisors

AUDIT FIRM

BKC, CPAs, PC 39 State Route 12, Ste 2 Flemington, NJ 08822

ATTORNEY

Fogarty & Hara Counselors at Law 16-00 Route 208 South Fair Lawn, NJ 07410

ARCHITECT

Spiezle Architectural Group 120 Sanhican Dr #1 Trenton, NJ 08618

OFFICIAL DEPOSITORY

Investors Savings Bank



Independent Auditors' Report

Honorable President and Members of the Board of Education Kingwood Township School District Frenchtown, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the businesstype activities, each major fund, and the aggregate remaining fund information of the Kingwood Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2021, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kingwood Township School District, as of June 30, 2021, 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.

Change in Accounting Principle

The District adopted new accounting guidance as promulgated by GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introduction 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 February 9, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

BHC, CAAL, PC BKC, CPAS, PC

MU

Michael Holk, CPA, PSA NO. 20CS00265600

February 9, 2022 Flemington, New Jersey **REQUIRED SUPPLEMENTARY INFORMATION - PART I**

The discussion and analysis of Kingwood Township School District's (the District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- In total, net position increased \$1,160,468 which represents a 12.34% increase from 2020.
- General revenues accounted for \$10,843,418 in revenue or 94.10% of all revenues. Program specific revenues in the form of charges for services, operating grants, and contributions accounted for \$679,991 or 5.90% to total revenues of \$11,523,409.
- Total assets of governmental activities increased by \$798,059 as cash and cash equivalents increased by \$735,684, receivables and other assets increased by \$141,863, and capital assets decreased by \$79,488.
- The School District had \$10,342,941 in expenses; only \$679,991 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$10,843,418 were adequate to provide for these programs.
- Among major funds, the general fund had \$8,844,039 in revenues and \$7,910,090 in expenditures. The general fund's balance increased \$933,949 from 2020.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question; "How did we do financially during fiscal year 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2021 compared to June 30, 2020.

		11001000						
					Variance			
		06/30/21		06/30/20		Dollars	Percent	
Assets								
Current & other assets	\$	5,100,339	\$	4,195,768	\$	904,571	21.56%	
Capital assets		8,282,549		8,365,915		(83,366)	-1.00%	
Total assets		13,382,888		12,561,683		821,205	6.54%	
Deferred outflows of resources								
Deferred amount on pension activity		316,244		485,374		(169,130)	-34.85%	
Liabilities								
Long-term liabilities		2,259,199		2,756,666		(497,467)	-18.05%	
Other liabilities		133,893		199,539		(65,646)	-32.90%	
Total liabilities		2,393,092		2,956,205		(563,113)	-19.05%	
Deferred inflows of resources								
Deferred amount on pension activity		741,625		686,905		54,720	7.97%	
Net position								
Net investment in capital assets		7,597,549		7,465,915		131,634	1.76%	
Restricted		3,971,520		3,004,962		966,558	32.17%	
Unrestricted		(1,004,654)		(1,066,930)		62,276	5.84%	
Total net position	\$	10,564,415	\$	9,403,947	\$	1,160,468	12.34%	

Table 1

Net Position

Total assets increased \$821,205 Cash and cash equivalents increased by \$751,757, receivables and other assets increased by \$152,814, and capital assets decreased by \$83,366. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$62,276.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2021 compared to June 30, 2020.

	-			Variance		
	 06/30/21	 06/30/20		Dollars	Percent	
Revenues						
Program revenues						
Charges for services	\$ 386,015	\$ 436,009	\$	(49,994)	-11.47%	
Operating grants and contributions	293,976	164,599		129,377	78.60%	
General revenues						
Property taxes	6,170,474	6,050,612		119,862	1.98%	
Grants and entitlements	4,626,461	3,554,052		1,072,409	30.17%	
Other	 46,483	 78,729		(32,246)	-40.96%	
Total revenues	 11,523,409	 10,284,001		1,239,408	12.05%	
Expenses						
Instruction						
Regular	4,493,540	3,718,438		\$775,102	20.84%	
Special	1,809,299	1,581,767		227,532	14.38%	
Other	204,191	516,955		(312,764)	-60.50%	
Support services						
Tuition	115,547	110,954		4,593	4.14%	
Student & instructional related						
services	1,701,072	1,420,910		280,162	19.72%	
General & business administration	652,238	615,184		37,054	6.02%	
School administration	84,734	100,716		(15,982)	-15.87%	
Maintenance	695,565	718,050		(22,485)	-3.13%	
Transportation	470,729	336,237		134,492	40.00%	
Food service	77,522	94,262		(16,740)	-17.76%	
Interest on long-term debt	 38,504	 44,943		(6,439)	-14.33%	
Total expenses	 \$10,342,941	 9,258,416		\$1,084,525	11.71%	
Increase (decrease) in net position						
before special position	 1,180,468	 1,025,585		154,883	15.10%	
Special Item						
Loss on disposal of assets	 (20,000)	 (6,134)		(13,866)	226.05%	
Increase (decrease) in net position	\$ 1,160,468	\$ 1,019,451	\$	134,883	13.15%	

Table 2Changes in Net Position

Governmental Activities

Local property taxes made up 53.55% of revenues for governmental activities for the Kingwood Township School District for fiscal year 2021.

Instruction comprises 62.91% of district expenses. Support services expenses make up 37.09% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2021 compared to June 30, 2020.

		Total Cost	of Servi	ices	Net Cost of Services					
		06/30/21		06/30/20		06/30/21	06/30/20			
Instruction		6,507,030	\$	5,817,160	\$	6,069,094	\$	5,394,612		
Support services										
Tuition		115,547		110,954		37,024	41,053			
Student & instructional staff		1,701,072		1,420,910		1,641,986		1,410,082		
General & business										
administration		652,238		615,184		652,238		615,184		
School administration		84,734		100,716		84,734		100,716		
Plant operations &										
maintenance		695,565		718,050		691,665		711,800		
Pupil transportation	470,729		336,237		470,729			336,237		
Food services		77,522		94,262		(23,024)		3,181		
Interest on long-term debt		38,504		44,943	38,504		44,943			
Total expenses	\$	10,342,941	\$	9,258,416	\$	9,662,950	\$	8,657,808		

Table 3Cost of Governmental Services

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

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

Operation and maintenance of facilities 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 school activities, as provided by State law.

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

The dependence upon tax revenues is apparent. For all activities, general revenue support is 94.1%. The community, as a whole, is the primary support or funding source for the Kingwood Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,331,604 and expenditures of \$8,391,455. The general fund had an increase in fund balance of \$933,949.

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the School District amended its general fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the general fund, budget basis revenue and other financing sources were \$7,598,710, \$206,701 above original budgeted estimates of \$7,392,009. This difference was primarily due to receiving unbudgeted extraordinary aid.

The general fund revenues of the School District exceeded expenditures and other financing uses by \$923,988. This enabled the capital reserve account to be increased by \$835,000. The financial position of the School District remains strong.

Capital Assets

At the end of the fiscal year 2021, the School District had \$8,282,549 invested in land, building, furniture and equipment. Table 4 shows June 30, 2021 balances compared to June 30, 2020.

Table 4 Capital Assets at Year End (Net of Depreciation)

						Varianc	e
	06/30/21		06/30/20		Dollars		Percent
Land	\$	115,000	\$	115,000	\$	-	0.00%
Construction in progress		-		614,156		(614,156)	-100.00%
Land improvements		570,123		609,388		(39,265)	-6.44%
Buildings & improvements		7,300,749		6,801,080		499,669	7.35%
Furniture & equipment		296,677		226,291		70,386	31.10%
	\$	8,282,549	\$	8,365,915	\$	(83,366)	-1.00%

Overall capital assets decreased \$83,3660 from fiscal year 2020 to fiscal year 2021. Increases in capital assets were offset by depreciation expenses for the year.

Long-term liabilities

At June 30, 2021, the School District had \$2,259,199 of outstanding long-term liabilities. This amount is detailed in Table 5 below for June 30, 2021 compared to June 30, 2020.

At June 30, 2021, the legal debt limit is \$18,704,826. General obligation debt at June 30, 2021 is \$685,000 resulting in a legal debt margin of \$18,019,826.

Table 5Long-Term Liabilities at Year End

Varianaa

					variance	
	 06/30/21	06/30/20		I	Dollars	Percent
General obligation bonds payable	\$ 685,000	\$	900,000	\$	(215,000)	-23.89%
Compensated absences payable	253,981		272,639		(18,658)	-6.84%
PERS net pension liability	1,300,730		1,558,043		(257,313)	-16.52%
Bond premium	 19,488		25,984		(6,496)	-25.00%
	\$ 2,259,199	\$	2,756,666	\$	(497,467)	-18.05%

For the Future

At the present time the Kingwood Township School District is in very good financial condition. Major concerns are the continued reduction of state aid funding, student population trends and the reliance placed on local property taxes for the majority of school funding.

Maintaining our facility is an ongoing priority. The District continues to plan to upgrade the Waste Treatment Plant as the new permit requires, investigating a back-up well system, continues to replace flooring to maintain the facility.

Kingwood Township is primarily a residential, farming community, with very few industrial ratables. This causes the school tax levy burden to primarily impact homeowners. As a result, the Board continually seeks opportunities to lower costs while maintaining an excellent educational program and to identify new sources of revenue searching out shared service opportunities.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, kindly contact Michele McCann, School Business Administrator/Board Secretary at Kingwood Township Board of Education, 880 County Road 519, Frenchtown, NJ 08825 or email at mmccann@kingwoodschool.org.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

KINGWOOD TOWNSHIP SCHOOL DISTRICT **Statement of Net Position** June 30, 2021

	Governmental Activities		ness-Type ctivities	 Total
Assets				
Cash and cash equivalents	\$	837,145	\$ 39,542	\$ 876,687
Receivables, net		231,614	9,085	240,699
Inventory		-	4,954	4,954
Prepaid expense		-	2,117	2,117
Restricted assets				
Capital reserve account - cash		2,822,164	-	2,822,164
Emergency reserve - cash		250,000	-	250,000
Maintenance reserve - cash		365,000	-	365,000
Student activities - cash		20,477	-	20,477
Unemployment claims - cash		518,241	-	518,241
Capital assets, net				
Land		115,000	-	115,000
Other capital assets, net of depreciation		8,149,817	 17,732	 8,167,549
Total assets		13,309,458	 73,430	 13,382,888
Deferred outflows of resources				
Deferred amount on pension activity		316,244	 -	 316,244
Liabilities				
Accounts payable		109,175	-	109,175
Accrued interest		12,558	-	12,558
Unearned revenue		625	7,173	7,798
Unemployment compensation				
claims payable		4,362	-	4,362
Long-term liabilities				
Due within one year		226,496	-	226,496
Due beyond one year		2,032,703	-	2,032,703
Total liabilities		2,385,919	 7,173	2,393,092
Deferred inflows of resources				
Deferred amount on pension liability		741,625	 -	 741,625

See accompanying notes to financial statements.

A-1

KINGWOOD TOWNSHIP SCHOOL DISTRICT Statement of Net Position (continued) June 30, 2021

	Governmental Activities		Business-Type Activities		Total
Net position					
Net investment in capital assets	\$	7,579,817	\$	17,732	\$ 7,597,549
Restricted for					
Capital reserve		2,822,164		-	2,822,164
Emergency reserve		250,000		-	250,000
Maintenance reserve		365,000		-	365,000
Student activities		20,477		-	20,477
Unemployment claims		513,879		-	513,879
Unrestricted		(1,053,179)		48,525	 (1,004,654)
Total net position	\$	10,498,158	\$	66,257	\$ 10,564,415

See accompanying notes to financial statements.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Statement of Activities For the Fiscal Year Ended June 30, 2021

				Program Revenue	es		Expense) Revenu anges in Net Positi	
		Indirect		Operating	Capital		Business-	
	Direct	Expenses	Charges for	Grants &	Grants &	Governmental	Туре	
Functions/Programs	Expenses	Allocation	Services	Contribution	Contribution	Activities	Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,075,605	\$ 2,417,935	\$ 333,605	\$ 80,728	\$ -	\$ (4,079,207)	\$ -	\$ (4,079,207)
Special education	550,241	715,160	-	3,689	-	(1,261,712)	-	(1,261,712)
Other special education	238,303	305,595	-	19,914	-	(523,984)	-	(523,984)
Other instruction	35,504	168,687	-	-	-	(204,191)	-	(204,191)
Support services								
Tuition	115,547	-	-	78,523	-	(37,024)	-	(37,024)
Students & instruction related services	829,145	871,927	47,869	11,217	-	(1,641,986)	-	(1,641,986)
General & business administration services	292,910	359,328	-	-	-	(652,238)	-	(652,238)
School administration services	67,905	16,829	-	-	-	(84,734)	-	(84,734)
Plant operations & maintenance	540,466	155,099	3,900	-	-	(691,665)	-	(691,665)
Pupil transportation	393,384	77,345	-	-	-	(470,729)	-	(470,729)
Interest on long-term debt	38,504	-	-	-	-	(38,504)	-	(38,504)
Total governmental activities	5,177,514	5,087,905	385,374	194,071	_	(9,685,974)	_	(9,685,974)
Business-type activities								
Food service	77,522	-	641	99,905	-	-	23,024	23,024
Total business-type activities	77,522	-	641	99,905	-	-	23,024	23,024
Total primary government	\$ 5,255,036	\$ 5,087,905	\$ 386,015	\$ 293,976	\$ -	(9,685,974)	23,024	(9,662,950)
		General revenue	es, special items	& transfers				

General revenues, special items & transfers			
Property taxes levied for general purposes	5,924,849	-	5,924,849
Property taxes levied for debt service	245,625	-	245,625
Federal & state aid not restricted	4,626,461	-	4,626,461
Investment earnings	1,815	9	1,824
Miscellaneous income	44,459	200	44,659
Loss on disposal of assets	(20,000)	-	(20,000)
Total general revenues, special items & transfers	10,823,209	209	10,823,418
Change in net position	1,137,235	23,233	1,160,468
Net position - beginning (as restated)	9,360,923	43,024	9,403,947
Net position - ending	\$ 10,498,158	\$ 66,257	\$ 10,564,415

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

KINGWOOD TOWNSHIP SCHOOL DISTRICT Governmental Funds Balance Sheet June 30, 2021

	General Fund	Special Revenu Fund		Capital Project Fund	Se	Debt rvice und	Go	Total overnmental Funds
Assets								
Cash & cash equivalents	\$ 837,145	\$	- 9		\$	-	\$	837,145
Due from other funds	29,466		-	-		-		29,466
Receivables from other								
governments								
State	198,443		-	-		-		198,443
Federal	-	29,46	6	-		-		29,466
Other accounts receivable	3,705		-	-		-		3,705
Restricted cash and cash equivalents	 3,955,405	20,47	7	-		-		3,975,882
Total assets	\$ 5,024,164	\$ 49,94	3	5 -	\$	-	\$	5,074,107
Liabilities and fund balances Liabilities								
Due to other funds	\$ -	\$ 29,46	6 §	5 -	\$	-	\$	29,466
Accounts payable	109,175		-	_		-	-	109,175
Unearned revenue	625		-	-		-		625
Unemployment compensation								
claims payable	4,362		-	-		-		4,362
Total liabilities	 114,162	29,46	6	-		-	_	143,628
Liabilities and fund balances Fund balances Restricted fund balance Excess surplus - designated								
for subsequent year's								
expenditures	239,445		-	-		-		239,445
Excess surplus - current year	247,762		-	-		-		247,762
Capital reserve	2,822,164		-	-		-		2,822,164
Emergency reserve	250,000		-	-		-		250,000
Maintenance reserve	365,000		-	-		-		365,000
Student activities	-	20,47	7	-		-		20,477
Unemployment claims	513,879		-	-		-		513,879
Committed fund balance	111.005							111.005
Year-end encumbrances	111,907		-	-		-		111,907
Unassigned fund balance	 359,845			-		-		359,845
Total fund balances	 4,910,002	20,47	7	-	·	-		4,930,479
Total liabilities and fund balances	\$ 5,024,164	\$ 49,94	3 \$	5 -	\$	-		

See accompanying notes to financial statements.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Governmental Funds Balance Sheet (continued) June 30, 2021

	Total Governmental Funds
Statement of Net Position (A-1) are different because:	
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$13,144,093 and the accumulated depreciation is \$4,879,276.	\$ 8,264,817
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(425,381)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(2,259,199)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(12,558)
Total net position of governmental activities	\$ 10,498,158

B-2 1 of 2

KINGWOOD TOWNSHIP SCHOOL DISTRICT Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 5,924,849	\$-	\$-	\$ 245,625	\$ 6,170,474
Tuition					
Individuals	15,625	-	-	-	15,625
Other sources	317,980	-	-	-	317,980
Interest	1,815	-	-	-	1,815
Rents and royalties	3,900	-	-	-	3,900
Miscellaneous	44,459	47,869	-	-	92,328
Total local sources	6,308,628	47,869	-	245,625	6,602,122
State sources	2,535,411	-	-	-	2,535,411
Federal sources		194,071			194,071
Total revenues	8,844,039	241,940	-	245,625	9,331,604
Expenditures					
Current					
Instructional					
Regular instruction	1,999,061	76,544	-	-	2,075,605
Special education instruction	546,552	3,689	-	-	550,241
Other special instruction	218,389	19,914	-	-	238,303
Other instruction	35,504	-	-	-	35,504
Support service & undistributed costs					
Tuition	37,024	78,523	-	-	115,547
Student & instruction					
related services	776,259	52,886	-	-	829,145
General & business					
administrative services	292,910	-	-	-	292,910
School administrative					
services	67,905	-	-	-	67,905
Plant operations &					
maintenance	540,466	-	-	-	540,466
Pupil transportation	393,384	-	-	-	393,384
Unallocated benefits	2,737,820	-	-	-	2,737,820

See accompanying notes to financial statements.

B-2 2 of 2

KINGWOOD TOWNSHIP SCHOOL DISTRICT Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances (continued) For the Fiscal Year Ended June 30, 2021

	General Fund	R	pecial evenue Fund	Pro	pital ojects und	Se	Debt ervice Fund	Gc	Total overnmental Funds
Expenditures (cont'd)									
Capital outlay	\$ 247,484	\$	4,184	\$	-	\$	-	\$	251,668
Debt service									
Principal	-		-		-	2	215,000		215,000
Interest & other charges	17,332		-		-		30,625		47,957
Total expenditures	 7,910,090	2	235,740		-		245,625		8,391,455
Excess (deficit) of revenues									
over (under) expenditures	933,949		6,200		-		-		940,149
Fund balances, July 1 (as restated)	 3,976,053		14,277		-		-		3,990,330
Fund balances, June 30	\$ 4,910,002	\$	20,477	\$	_	\$	-	\$	4,930,479

See accompanying notes to financial statements.

Total net changes in fund balances - governmental fund (from B-2)		\$ 940,149
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the partial.		
the period: Capital outlays	\$ 251,668	
Loss on disposal of assets	(20,000)	(70,400)
Depreciation expense	 (311,156)	(79,488)
Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:		
Debt principal payments		215,000
Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities: Amortization of bond premium		6,496
-		0,470
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 a reconciling item.		2,957
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported		
as pension expense.		33,463
In the Statement of Activities, compensated absences and early retirement benefits 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.		18 659
carned amount, the difference is an addition to the reconcination.		 18,658
Change in net position of governmental activities		\$ 1,137,235

See accompanying notes to financial statements.

B-3

KINGWOOD TOWNSHIP SCHOOL DISTRICT Proprietary Funds Statement of Net Position June 30, 2021

	Food Service Fund
Assets	
Current assets	
Cash and cash equivalents	\$ 39,542
Receivables from other governments	
State	604
Federal	8,481
Inventory	4,954
Prepaid expenses	2,117
Total current assets	55,698
Noncurrent assets	
Capital assets	84,089
Less: accumulated depreciation	66,357
Total noncurrent assets	17,732
Total assets	73,430
Liabilities	
Current liabilities	
Unearned revenues - commodities	2,012
Unearned revenues - prepaid sales	5,161
Total liabilities	7,173
Net position	
Invested in capital assets, net of related debt	17,732
Unrestricted	48,525
Total net position	\$ 66,257

See accompanying notes to financial statements.

B-4

KINGWOOD TOWNSHIP SCHOOL DISTRICT Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Year Ended June 30, 2021

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 439
Daily sales - non-reimbursable programs	9
Miscellaneous	193
Total operating revenues	641
Operating expenses	
Cost of sales - reimbursable programs	23,144
Commodity food costs	3,050
Covid related cost	5,095
Salaries	22,505
Supports services - employee benefits	3,104
Purchased professional/technical services	1,689
Purchased property services	1,430
Other purchased services	
Insurance	3,279
Management fee	8,067
Supplies and materials	2,281
Depreciation	3,878
Total operating expenses	77,522
Operating income (loss)	(76,881)
Non-operating revenues (expenses)	
State sources	
State school lunch program	4,726
Federal sources	
National school lunch program	
Cash assistance	92,129
Non-cash assistance (commodities)	3,050
Other sources	
Interest earned on investments	9
Miscellaneous	200
Total non-operating revenues (expenses)	100,114
Change in net position	23,233
Net position, beginning	43,024
Net position, ending	\$ 66,257

See accompanying notes to financial statements.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Proprietary Funds Statement of Cash Flows For the Fiscal Year Ended June 30, 2021

	Fo	od Service Fund
Cash flows from operating activities Receipts from customers Payments to Food Service Management Co. Payments to vendors (net)	\$	(307) (67,645) (5,650)
Net cash provided by (used for) operating activities		(73,602)
Cash flows from non-capital financing activities State sources Federal sources Miscellaneous		4,148 85,318 200
Net cash provided by (used for) non-capital financing activities		89,666
Cash flows from investing activities Interest earned on investments Net cash provided by (used for) investing activities		9
Net increase (decrease) in cash and cash equivalents		16,073
Cash and cash equivalents, beginning		23,469
Cash and cash equivalents, ending	\$	39,542
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	\$	(76,881)
Depreciation Federal food donation program Increase (decrease) in accounts payable (Increase) decrease in inventory Increase (decrease) in deferred revenue Increase (decrease) in prepaid expenses		3,8783,050(193)(1,445)106(2,117)
Net cash provided by (used for) operating activities	\$	(73,602)

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1 - <u>Summary of significant accounting policies</u>

The financial statements of the Kingwood Township School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the school district functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2021 of 342 students.

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

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

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

Note 1 - <u>Summary of significant accounting policies (continued)</u>

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

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 the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

During the year ended June 30, 2021, the District implemented the provisions detailed in GASB Statement No. 84, *Fiduciary Activities*. Based on a review of the financial records, the District has no funds that meet the criteria of a fiduciary fund.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

Note 1 - <u>Summary of significant accounting policies (continued)</u>

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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 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.

Note 1 - <u>Summary of significant accounting policies (continued)</u>

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

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.

Additionally, the District reports the following fund types:

Proprietary fund types

Proprietary Fund - 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:

Note 1 - <u>Summary of significant accounting policies (continued)</u>

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary fund types (continued)

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment

12 Years

Fiduciary fund types

As stated in Note 1 (B), the district does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No 84, *Fiduciary Activities*.

D. 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 and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

Note 1 - <u>Summary of significant accounting policies (continued)</u>

D. Budgets/budgetary control (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment 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.

E. Encumbrances

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned 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.

F. 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.

G. Tuition payable

Tuition charges for the fiscal year 2020-2021 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

Note 1 - <u>Summary of significant accounting policies (continued)</u>

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the firstin-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 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.

Note 1 - <u>Summary of significant accounting policies (continued)</u>

K. Compensated absences (continued)

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Note 1 - <u>Summary of significant accounting policies (continued)</u>

N. Net position

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

- Net investment in capital assets This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the school district or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

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

O. Fund balances - governmental funds

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

- Non-spendable includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

Note 1 - <u>Summary of significant accounting policies (continued)</u>

O. Fund balances - governmental funds (continued)

• Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

P. Use of estimates

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

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

Note 2 - <u>Tax assessments and property taxes</u>

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et. seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed, as to the amount of collection, by the municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2021, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

Note 3 - Deposits, cash equivalents, and investments (continued)

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.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2021, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	4,886,030
Total bank balances	\$ 5,136,030

Deposits at June 30, 2021 appear in the financial statements as summarized below:

Cash		\$	4,852,569
	Daf		
Unrestricted cash	<u>Ref.</u>		
Governmental funds, Balance Sheet	B-1	\$	837,145
Enterprise funds, Statement of Net Position	B-4	Ψ	39,542
Restricted cash			,
Governmental funds, Balance Sheet	B-1		3,975,882
Total cash		\$	4,852,569

Note 4 - <u>Capital assets</u>

Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 115,000	\$ -	\$-	\$ 115,000
Construction in	\$ 110,000	4	4	\$ 110,000
progress	614,156	5,898	620,054	
Total	729,156	5,898	620,054	115,000
Capital assets, being depreciated Land improvements	877,098	_	_	877,098
Building &	,			,
improvements Furniture &	10,528,039	731,814	-	11,259,853
equipment	810,632	114,010	32,500	892,142
Total	12,215,769	845,824	32,500	13,029,093
Accumulated depreciation				
Land improvements Building &	267,710	39,265	-	306,975
improvements Furniture &	3,726,959	232,145	-	3,959,104
equipment	605,951	39,746	32,500	613,197
Total	4,600,620	311,156	32,500	4,879,276
	i			
Total capital assets, being depreciated, net	7,615,149	534,668		8,149,817
Transfers		(600,054)	(600,054)	
Governmental activities capital assets, net	\$ 8,344,305	\$ (59,488)	\$ 20,000	\$ 8,264,817
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities Furniture & equipment Less: accumulated	\$ 87,349	\$ -	\$ 3,260	\$ 84,089
depreciation	65,739	3,878	3,260	66,357
Business type activities capital assets, net	\$ 21,610	\$ (3,878)	\$ -	\$ 17,732

Note 4 - <u>Capital assets (continued)</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 156,955
Special education	41,608
Other special instruction	18,020
Other instruction	2,685
Support services	
Student & instruction	62,699
General & business administration	22,149
School administration	5,135
Plant maintenance	 1,905
Total depreciation expense, governmental activities	\$ 311,156

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2021 is as follows:

	eginning Balance	Add	itions	Re	eductions	 Ending Balance	 ie Within one Year
Governmental activities							
General obligation							
bonds payable	\$ 900,000	\$	-	\$	215,000	\$ 685,000	\$ 220,000
Compensated							
absences payable	272,639		-		18,658	253,981	-
PERS net pension							
liability	1,558,043		-		257,313	1,300,730	-
Bond premium	25,984		-		6,496	19,488	6,496
Total governmental activities long-term							
liabilities	\$ 2,756,666	\$	-	\$	497,467	\$ 2,259,199	\$ 226,496

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2021, including interest payments are listed as follows:

Note 5 -	Long-term debt (continued)				
	Year Ended June 30,]	Principal	Interest	Total
	2022	\$	220,000	\$ 23,000	\$ 243,000
	2023		230,000	14,000	244,000
	2024		235,000	4,700	239,700
	Total	\$	685,000	\$ 41,700	\$ 726,700

General Obligation Bonds - General obligation school building bonds payable at June 30, 2021, with their outstanding balances are comprised of the following individual issues:

\$2,270,000 - 2011 refunding school bonds, interest at 2.00% to 4.00%, due in annual installments beginning July 15, 2012 to July 15, 2023. \$ 685,000

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2021 is \$18,704,826. General obligation debt at June 30, 2021 is \$685,000 resulting in a legal debt margin of \$18,019,826.

Note 6 - <u>Pension plans</u>

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The TPAF retirement system is considered a 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 Board and the system's other related non-contributing employers.

A. Public employees' retirement systems (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All pension benefits vest after 10 years of service.

 Note 6 Pension plan (continued)

 A. Public employees' retirement systems (PERS) (continued)

 Plan description (continued)

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2020 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2020 measurement date.

Note 6 - <u>Pension plan (continued)</u>

A. Public employees' retirement systems (PERS) (continued) Allocation methodology and reconciliation to financial statements (continued) GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2019 through June 30, 2020. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For State fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2021 was 17.04% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Note 6 -	<u>Pension plan (continued)</u> <u>A. Public employees' retirement systems (PERS) (continued)</u> <u>Collective net pension liability and actuarial information</u> The District's proportionate share of the net pension liability for PERS as date of June 30, 2020:	of the n	neasurement
	Net pension liability	\$	1,300,730
	Proportionate share	0.00	79763275%
	Plan fiduciary net position as a percentage of the total pension liability		58.32%
	The total pension liability for the June 30, 2020 measurement date was actuarial valuation as of July 1, 2019, which was rolled forward to Ju actuarial valuation used the following actuarial assumptions:		•
	Inflation rate		
	Price		2.75%
	Wage		3.25%
	Salary increases (based on years of service)		
	Through 2026	2.0	0% - 6.00%
	Thereafter	3.0	0% - 7.00%
	Investment rate of return		7.00%

Preretirement mortality rates were based on the Pub-10 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 generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Note 6 - <u>Pension plan (continued)</u>

A. Public employees' retirement systems (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocations as of June 30, 2020 measurement date are summarized in the following table:

T

		Long-Term
		Expected
	Target	Rate of
Asset Class	Allocations	Return
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers.

Note 6 - <u>Pension plan (continued)</u>

A. Public employees' retirement systems (PERS) (continued)

Discount rate (continued)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the longterm expected rate of return on plan investments was applied to projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2020 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability	
At current discount rate (7.00%)	\$ 1,300,730
At a 1% lower rate (6.00%)	1,650,278
At a 1% higher rate (8.00%)	1,023,037

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2020 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	23,684	\$	4,600
Changes of assumptions		42,197		544,628
Net difference between projected and actual earnings on				
pension plan investments		44,460		-
Changes in proportion and differences between District				
contributions and proportionate share of contributions		118,646		192,397
District contributions subsequent to the measurement date		87,257		-
Total	\$	316,244	\$	741,625

Note 6 -Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued) Collective deferred outflows of resources and deferred inflows of resources (continued) The amount reported as deferred outflows of resources related to pensions resulting from

school district contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2021, the plan measurement date is June 30, 2020) of \$87,257 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2020 measurement date:

	Begini	ning Balance	Net Cha	ange in Activity	Endi	ng Balance
Deferred outflows of resources						
Differences between expected						
and actual experience	\$	27,965	\$	(4,281)	\$	23,684
Changes of assumptions		155,576		(113,379)		42,197
Differences between expected						
and actual experience		-		44,460		44,460
Deferred inflows of resources						
Differences between expected						
and actual experience		(6,883)		2,283		(4,600)
Changes of assumptions		(540,792)		(3,836)		(544,628)
Difference between projected						
and actual earnings on						
pension plan investments		(24,594)		24,594		-
Net of deferred outflows	\$	(388,728)	\$	(50,159)	\$	(438,887)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Year Ended June 30,	
2021	\$ (163,218)
2022	(148,805)
2023	(85,038)
2024	(34,388)
2025	 (7,438)
Total	\$ (438,887)

Note 6 - <u>Pension plan (continued)</u>

A. Public employees' retirement systems (PERS) (continued)

Pension expense

For the year ended June 30, 2021, the District recognized net pension expense of \$53,795, which represents the District's proportionate share of allocable plan pension expense of \$31,080, plus the net amortization of deferred amounts from changes in proportion of \$25,863, and less other adjustments to the net pension liability of \$3,148. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2020 measurement date are as follows:

Service cost	\$ 61,447
Interest on total pension liability	200,216
Benefit changes	(1,372)
Member contributions	(43,677)
Administrative expense	1,045
Expected investment return net of investment expense	(117,864)
Pension expense related to specific liabilities of individual employers	(547)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	14,116
Changes of assumptions	(103,983)
Difference between projected and actual investment earnings on	
pension plan investments	 21,699
Pension expense	\$ 31,080

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) <u>Plan description</u> The State of New Jarsey, Teachers' Pareier

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a multipleemployer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annualreports.shtml.

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

The following represents the membership tiers for TPAF:

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

Note 6 - <u>Pension plan (continued)</u>

B. Teacher's pension and annuity fund (TPAF) (continued)

Plan description (continued)

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

Contributions

The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the local participating employer share of the aparticipating employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the local participating employer.

During the State fiscal year ended June 30, 2020, the State of New Jersey contributed \$613,288 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Note 6 -	<u>Pension plan (continued)</u> <u>B. Teacher's pension and annuity fund (TPAF) (continued)</u> <u>Collective net pension liability and actuarial information</u> The District's proportionate share of the net pension liability for TPA June 30, 2020 measurement date is as follows:	F for fis	scal year ended		
	District proportionate share of net pension liability	\$	23,635,596		
	Less: State proportionate share of net pension liability		5,813,978		
	Net pension liability	\$	17,821,616		
	Proportionate share	0	.0270644522%		
	Plan fiduciary net position as a percentage of the total pension liability 24.60%				
	<u>Actuarial assumptions</u> The total pension liability for the June 30, 2020 measurement date actuarial valuation as of July 1, 2019, which was rolled forward to actuarial valuation used the following actuarial assumptions, applie measurement:	June	30, 2020. This		

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	
Through 2026	1.55 - 4.45%
Thereafter	2.75 - 5.65%
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Note 6 -Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Investment grade credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk mitigation strategies	3.00%	3.40%

Discount rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes taxexempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 6 - <u>Pension plan (continued)</u>

B. Teacher's pension and annuity fund (TPAF) (continued)
Sensitivity of the collective net pension liability to changes in the discount rate
The following presents the collective net pension liability of the District as of June 30, 2020
measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (5.40%)	\$ 17,821,616
At a 1% lower rate (4.40%)	20,933,575
At a 1% higher rate (6.40%)	15,237,656

Pension expense

The components of allocable pension expense, which exclude pension expense related to specific liabilities of individual employers, for the District for the year ended June 30, 2020 measurement date are as follows:

Service cost	\$ 443,937
Interest on total pension liability	1,264,093
Benefit changes	(4,520)
Member contributions	(234,144)
Administrative expense	3,649
Expected investment return net of investment expense	(411,928)
Pension expense related to specific liabilities of individual employers	1,283
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	47,840
Changes of assumptions	(106,613)
Difference between projected and actual investment earnings on	
pension plan investments	 104,627
Pension expense	\$ 1,108,224

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,400 in 2021) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

Note 6 - <u>Pension plan (continued)</u>

C. Defined contribution retirement program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended 2021 was \$4,178.

D. Other pension plan information

During the year ended June 30, 2021, the State of New Jersey contributed \$243,106 to the TPAF for postretirement medical benefits, \$14,484 for non-contributory insurance premiums, \$326 for long-term disability insurance, and \$761,260 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$216,192 during the year ended June 30, 2021 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - <u>Postretirement benefits</u>

The State of New Jersey provides post-retirement (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In fiscal year 2020, the State paid PRM benefits for 143,053 State and local retirees.

The State funds postretirement 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 2020, the State contributed \$1.578 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The State's pay-as-you-go contributions have decreased from fiscal year 2019 amounts. Reductions are attributable to various cost savings initiatives implemented by the State including Medicare Advantage contracts. The State has appropriated \$1.775 billion in fiscal year 2021 as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for fiscal year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The fiscal year 2020 total State OPEB liability to provide these benefits is \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76 billion liability recorded in fiscal year 2019.

Note 7 - <u>Postretirement benefits (continued)</u>

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the 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 District. Note that actual numbers will be published in the NJ State ACFR at https://www.nj.gov/treasury/omb/fr.shtml.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2020 measurement date is as follows:

State's proportionate share of the OPEB liability District's proportionate share of the State's OPEB liability Employer OPEB expense and related revenue	\$ 67,809,962,608 21,311,480 982,826
Allocable proportionate percentage	0.0314282433%
Changes in the total OPEB liability	
	Total OPEB Liability
Total OPEB liability at June 30, 2019	\$ 13,425,583
Service cost	533,690
Interest cost	482,333
Change of benefit terms	-
Differences between expected and actual experiences	3,336,769
Changes of assumptions	3,892,875
Member contributions	11,245
Gross benefit payments	 (371,015)
Total OPEB liability at June 30, 2020	\$ 21,311,480

There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

Note 7 - <u>Postretirement benefits (continued)</u>

Changes in the total OPEB liability (continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% as of the June 30, 2019 plan measurement date to 2.21% as of the June 30, 2020 plan measurement date.

The total non-employer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate

2.50%

	TPAF	PERS
	(based on years	(based on years
Salary increases	of service)	of service)
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	1.55% - 4.45%	3.00% - 7.00%

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2013 - June 30, 2018 for TPAF and PERS, respectively.

Health care trend assumptions

For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Note 7 - Postretirement benefits (continued)

Discount rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2020 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB Liability (school retirees)

At current discount rate (2.21%)	\$ 21,311,480
At a 1% lower rate (1.21%)	25,692,089
At a 1% higher rate (3.21%)	17,886,266

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

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

Total OPEB Liability (school retirees)	
Healthcare cost trend rate	\$ 21,311,480
At a 1% lower rate (1% decrease)	17,203,345
At a 1% higher rate (1% increase)	26,203,355

<u>OPEB</u> expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$982,826 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

Equitable Variable Annuity Life Insurance Co. Lincoln Investment Planning

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2021 consisted of the following:

Food	\$ 4,093
Supplies	861
Total	\$ 4,954

Note 10 - Operating lease

At June 30, 2021, the District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

2022	\$ 6,648
2023	6,648
2024	6,648
Total	\$ 19,944

Note 11 - Interfund receivables and payables

The special revenue fund had an interfund payable for \$29,466 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues.

Note 12 - <u>Contingent liabilities</u>

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the school district.

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

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 student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

	Board	Interest	Employee	Amount	Ending Balance Available for
Fiscal Year	Contrib.	Earnings	Contrib.	Reimbursed	Claims
2020 - 2021	\$ 104,498	\$ 153	\$ 6,713	\$ 2,351	\$ 518,241
2019 - 2020	87,000	2,756	6,668	32,712	409,228
2018 - 2019	90,000	3,146	6,196	17,737	345,516

Note 14 - District reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 14 - District reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$835,000 to their capital reserve account by Board Resolution in June 2021 as summarized in the following schedule. The following schedule is a summarization of the reserve accounts for the current year:

				Return		
Reserve	Beginning	District	Interest	Unused		Ending
Туре	Balance	Contrib.	Earnings	Withdrawal	Withdrawal	Balance
Capital	\$ 1,966,457	\$ 835,000	\$ 707	\$ 20,000	\$ -	\$ 2,822,164
Emergency	250,000	-	-	-	-	250,000
Maintenance	365,000	-	-	-	-	365,000
Total	\$ 2,581,457	\$ 835,000	\$ 707	\$ 20,000	\$ -	\$ 3,437,164

Note 15 - Fund balance

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2021 is as follows:

Restricted	
Excess surplus - Designated for subsequent year's expenditures.	
Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 239,445
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus	
is designated for utilization in succeeding year's budgets. Capital reserve account - Represents funds restricted to capital projects	247,762
in the Districts long range facilities plan.	2,822,164
Emergency reserve account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and	
efficient education.	250,000
Maintenance reserve account - Represents funds accumulated for the	
required maintenance of a facility in accordance with the EFCFA	265.000
(N.J.S.A.18A:76-9).	365,000
Unemployment compensation - Represents funds accumulated for	512 970
future unemployment claims. Committed	513,879
Year-end encumbrance - Represents fund balance committed for	
purchase orders that have been issued but goods or services were not	
received as of June 30.	111,907
Unassigned	
Undesignated - Represents fund balance which has not been restricted	
or designated.	 465,432
Total fund balance - Budgetary basis (Exhibit C-1)	5,015,589
Last state aid payments not recognized on GAAP basis	 (105,587)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 4,910,002

KINGWOOD TOWNSHIP SCHOOL DISTRICT Notes to the Financial Statements

Note 16 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund 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, 2021 is \$247,762.

Note 17 - Restatement of prior year net position

During the fiscal year ended June 30, 2021, the District restated net position for governmental activities as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	overnmental Activities
Net position, June 30, 2020	\$ 8,937,418
Additions	
Reserved fund balance - unemployment fund	409,228
Reserved fund balance - student activity fund	 14,277
Net position, June 30, 2020 as restated	\$ 9,360,923

Note 18 - <u>Restatement of prior year fund balance</u>

During the fiscal year ended June 30, 2021, the District restated fund balance for the general fund and special revenue fund as of June 30, 2020 as a result of the implementation of GASB Statement No. 84:

	General Fund	Spe	ecial Revenue Fund
Fund balance June 30, 2020	\$ 3,566,825	\$	-
Additions			
Reserved fund balance - unemployment fund	409,228		-
Reserved fund balance - student activity fund	 -		14,277
Fund balance, June 30, 2020 as restated	\$ 3,976,053	\$	14,277

KINGWOOD TOWNSHIP SCHOOL DISTRICT Notes to the Financial Statements

Note 19 - Recent accounting pronouncements not yet effective

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2017, GASB issued Statement No. 87, *Leases*. This statement is effective for reporting periods beginning after June 15, 2021 as amended by GASB Statement No. 95. The District is evaluating the effect of the pronouncement on financial reporting.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for reporting periods beginning after June 15, 2022. The District is evaluating the effect of the pronouncement on financial reporting.

Note 20 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2021 of (\$1,053,179) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the state.

Note 21 - <u>Risks and uncertainties</u>

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations.

Note 22 - <u>Subsequent events</u>

The District has evaluated subsequent events through February 9, 2022, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

KINGWOOD TOWNSHIP SCHOOL DISTRICT General Fund Budgetary Comparison Schedule For the Fiscal Year Ended June 30, 2021

	Unaudited									Variance
		Original		Budget		Final	-		Final	
		Budget	Т	ransfers		Budget		Actual		to Actual
Revenues										
Local sources										
Local tax levy	\$	5,924,849	\$	-	\$	5,924,849	\$	5,924,849	\$	-
Tuition from individuals		18,750		-		18,750		15,625		(3,125)
Tuition from other LEAs within the state		255,000		-		255,000		317,980		62,980
Rents and royalties		-		-		-		3,900		3,900
Unrestricted miscellaneous revenues		108,700		-		108,700		45,414		(63,286)
Interest earned on capital reserve funds		1,000		-		1,000		707		(293)
Other restricted miscellaneous revenues		-		-		-		153		153
Total		6,308,299		-	_	6,308,299	_	6,308,628		329
State sources										
School choice aid		170,408		_		170,408		170,408		_
Categorical transportation aid		166,282		-		166,282		166,282		_
Extraordinary aid		- 100,202		_		- 100,202		204,922		204,922
Categorical special education aid		259,824		_		259,824		259,824		
Equalization aid		441,447		_		441,447		441,447		_
Categorical security aid		31,021		_		31,021		31,021		_
Adjustment aid		14,728		_		14,728		14,728		_
Other state aid				_		-		1,450		1,450
TPAF Pension (on-behalf)		-		_		_		775,744		775,744
TPAF Social Security (reimbursed)		_		_		-		216,192		216,192
TPAF Post retirement benefits		_		_		-		243,106		243,106
TPAF Long-term disability insurance		_		-		-		326		326
Total		1.083.710				1,083,710		2,525,450	_	1,441,740
		1,005,710				1,005,710	_	2,020,100		1,111,710
Total revenues	\$	7,392,009	\$	-	\$	7,392,009	\$	8,834,078	\$	1,442,069
Expenditures										
Current										
Instruction - regular program										
Salaries of teachers										
Preschool	\$	59,990	\$	310	\$	60,300	\$	59,652	\$	648
Kindergarten		127,078		365		127,443		126,025		1,418
Grades 1-5		862,959		9,074		872,033		861,673		10,360
Grades 6-8		739,743		(10,847)		728,896		713,672		15,224
Home instruction										
Salaries of teacher		1,000		-		1,000		-		1,000
Regular programs - undistributed instruction										
Purchased professional - educational services		5,000		(5,000)		-		-		-
Purchased technical services		15,000		24,563		39,563		39,252		311
Other purchased services		102,112		(22,243)		79,869		53,619		26,250
General supplies		163,586		75,781		239,367		137,988		101,379
Textbooks		371		7,105		7,476		7,105		371
Other objects		4,400		-		4,400		75		4,325
Total		2,081,239		79,108		2,160,347		1,999,061		161,286

C-1 2 of 7

KINGWOOD TOWNSHIP SCHOOL DISTRICT

General Fund

Budgetary Comparison Schedule (continued)

For the Fiscal Year Ended June 30, 2021

		Unaudited							,	Variance	
		Original]	Budget		Final			Final		
		Budget	Т	ransfers		Budget		Actual	1	o Actual	
Expenditures (cont'd)											
Special education											
Resource room/resource center	<u>^</u>		<u>^</u>		<u>^</u>		<u>^</u>		÷		
Salaries of teachers	\$	486,437	\$	(1,866)	\$	484,571	\$	473,529	\$	11,042	
Other salaries for instruction		99,853		144		99,997		66,253		33,744	
Purchased professional - educational services		-		2,199		2,199		-		2,199	
Other purchased services		5,085		(5,075)		10		-		10	
General supplies		7,516		970		8,486		6,770		1,716	
Other objects		855		(855)		-		-		-	
Total		599,746		(4,483)		595,263	·	546,552		48,711	
Total special education		599,746		(4,483)		595,263		546,552		48,711	
Basic skills/remedial											
Salaries of teachers		209,442		8,528		217,970		217,890		80	
Other purchased services		1,954		(1,954)		-		-		_	
General supplies		1,122		(610)		512		499		13	
Total		212,518		5,964		218,482		218,389		93	
School-sponsored co/extra curricular activities - instruction											
Salaries		32,193		2,610		34,803		34,803		_	
Supplies and materials		500		2,010		500		181		319	
Other objects		660		-		660		101		560	
Total		33,353		2,610		35,963	· —	35,084		879	
School-sponsored athletics - instruction		24.265		(0 (10)		21.755				21.755	
Salaries		24,365		(2,610)		21,755		-		21,755	
Purchased services		8,784		(826)		7,958		-		7,958	
Supplies and materials		4,395		826		5,221		420		4,801	
Other objects Total		242 37,786		(2,610)		242	· —	420	·	242 34,756	
10(a)		57,780		(2,010)		55,170	· —	420	·	54,750	
Total instruction regular	\$	2,964,642	\$	80,589	\$	3,045,231	\$	2,799,506	\$	245,725	
Undistributed expenditures											
Undistributed expenditures - instruction											
Tuition to priv. school for the disabled in state	\$	115,000	\$	(9,920)	\$	105,080	\$	37,024	\$	68,056	
Total		115,000		(9,920)		105,080		37,024	_	68,056	
Undistributed expenditures - attendance & social work											
Salaries		40,800		400		41,200		41,200		-	
Purchased professional and technical services				500		500				500	
Supplies and materials		500		(500)		-		-		-	
Total		41,300		400		41,700	·	41,200	·	500	
1.0001		11,500		-100		11,700	· —	11,200	·	500	

General Fund

Budgetary Comparison Schedule (continued)

For the Fiscal Year Ended June 30, 2021

		Unaudited		_	Variance
	Original	Budget	Final	-	Final
	Budget	Transfers	Budget	Actual	to Actual
Expenditures (cont'd)					
Undistributed expenditures - health services					
Salaries	\$ 71,110	\$ (3,770)	\$ 67,340	\$ 64,540	\$ 2,800
Purchased professional and technical services	3,531	-	3,531	2,119	1,412
Supplies and materials	6,862	3,769	10,631	4,409	6,222
Total	81,503	(1)	81,502	71,068	10,434
Undistributed expenditures - speech, ot, pt & related services					
Salaries	49,269	331	49,600	43,000	6,600
Purchased professional - educational services	26,928	(731)	26,197	9,130	17,067
Supplies and materials	840	-	840	-	840
Total	77,037	(400)	76,637	52,130	24,507
Undistributed expenditures - guidance					
Salaries of other professional staff	45,633	(6,230)	39,403	24,159	15,244
Other salaries	5,388	1,455	6,843	6,843	-
Purchased professional - educational services	1,870	(1,870)	-	-	-
Other purchased professional & technical services	660	(374)	286	-	286
Supplies and materials	1,064	7,019	8,083	1,069	7,014
Total	54,615		54,615	32,071	22,544
Undistributed expenditures - child study teams					
Salaries of other professional staff	241,349	4,057	245,406	244,435	971
Salaries of secretarial and clerical assistants	61,046	(1,864)	59,182	49,511	9.671
Purchased professional - educational services	01,040	2,230	2,230	2,230	9,071
Other purchased professional & technical services	4,206	(667)	3,539	425	3,114
Other purchased professional & technical services	11,550	(10,700)	850	850	5,114
Supplies and materials	2,420	6,945	9,365	373	8,992
Other objects	1,300	0,945	9,303 1,300	995	305
Total	321,871	· <u> </u>	321,872	298.819	23,053
		1	521,072	270,017	
Undistributed expenditures - improvement of inst. service Salaries of supervisor of instruction	102,206	1,680	103,886	95.946	7,940
Salaries of other professional staff	2,975	2,088	5,063	2,903	2,160
Salaries of secretarial & clerical assist	17,582	173	17,755	17,255	500
Purchased professional - educational services	1,179	(1,179)		17,200	500
Other purchased professional & technical services	1,175	1,179	1,179		1,179
Other purchased services	6,950	(3,941)	3,009	-	3,009
Supplies and materials	900	(3,941)	3,009 900	302	598
	1,500	-	900 1,500	302	1,500
Other objects Total	133,292	-	133,292	116,406	16,886
Undertained armonditures and mode convice/ash likeour					
Undistributed expenditures - edu. media service/sch. library Salaries	49,587	-	49,587	49,485	102
	· · · · · ·	- 60,647		,	
Salaries of technology coordinators	59,248	,	119,895	111,500	8,395
Purchased professional and technical services	60,000	(56,579)	3,421	599	2,822
Other purchased services	8,096	(4,068)	4,028	400	3,628
Supplies and materials	6,160		6,160	1,440	4,720
Total	183,091		183,091	163,424	19,667

See independent auditors' report.

General Fund

Budgetary Comparison Schedule (continued)

For the Fiscal Year Ended June 30, 2021

		riginal		Unaudited Budget	Final Budget		-			variance Final
	В	udget		Fransfers		Budget		Actual	t	o Actual
Expenditures (cont'd)										
Undistributed expend instructional staff training services	\$	2.000	\$		\$	2.000	\$	300	\$	1,700
Purchased professional - educational services Other purchased services	Э	2,000	Э	-	Э	2,000	Э	300 803	\$	1,700
		2,300		-		2,300		38		862
Supplies and materials Total		5,400		-		5,400		1,141		4,259
10141		5,400				5,400		1,141		4,239
Undistributed expend support service - general admin.										
Salaries		117,107		38		117,145		97,547		19,598
Legal services		18,000		(10,941)		7,059		7,059		-
Audit fees		20,000		600		20,600		20,600		-
Other purchased professional services		2,807		10,439		13,246		13,094		152
Purchased technical services		7,050		(6,426)		624		599		25
Communications/telephone		2,500		12,342		14,842		14,097		745
BOE other purchased services		2,000		(787)		1,213		-		1,213
Misc. purchased services		4,121		(2,161)		1,960		1,125		835
General supplies		3,067		(3,067)		-		-		-
BOE in-house training/meeting supplies		1,000		(2)		998		-		998
Miscellaneous expenditures		2,050		(34)		2,016		2,001		15
BOE membership dues and fees		4,850		-		4,850		4,223		627
Total		184,552		1		184,553		160,345		24,208
Undistributed expend support service - school admin.										
Salaries of principals/assistant principals		82,988		_		82,988		67,905		15,083
Total		82,988				82,988		67,905		15,083
1000		02,700				02,700		07,705		15,005
Undistributed expend central services										
Salaries		147,974		1,112		149,086		115,268		33,818
Purchased technical services		14,500		(1,179)		13,321		12,829		492
Miscellaneous purchased services		2,500		(953)		1,547		1,175		372
Other objects		-		1,020		1,020		1,020		-
Total		164,974		-		164,974		130,292		34,682
Undistributed expend required maint. for school facilities										
Cleaning, repair, and maintenance services		61,064		-		61,064		58,990		2,074
General supplies		5,500		-		5,500		182		5,318
Total		66,564		-		66,564		59,172		7,392
-		,						,		.,

General Fund

Budgetary Comparison Schedule (continued)

For the Fiscal Year Ended June 30, 2021

				naudited						Variance
		Original		Budget		Final				Final
		Budget	1	ransfers		Budget		Actual	t	o Actual
Expenditures (cont'd)										
Undistributed expend custodial services	<u>_</u>				<u>^</u>		<u>_</u>		<u>^</u>	
Salaries	\$	244,094	\$	12,232	\$	256,326	\$	231,568	\$	24,758
Salaries of non-instructional aides		12,232		(12,232)		-		-		-
Purchased professional and technical services		73,053		9,687		82,740		24,253		58,487
Cleaning, repair, and maintenance service		20,974		1,863		22,837		18,381		4,456
Insurance		53,000		(758)		52,242		41,224		11,018
Miscellaneous purchased services		1,000		99		1,099		1,099		
General supplies		52,285		-		52,285		42,860		9,425
Energy (natural gas)		53,000		(99)		52,901		18,549		34,352
Energy (electricity)		82,000		(181)		81,819		65,466		16,353
Other objects		3,665		(694)		2,971		1,793		1,178
Total		595,303		9,917		605,220		445,193		160,027
Undistributed expend care and upkeep of grounds										
Cleaning, repair, and maintenance service		25,845		7,500		33,345		32,878		467
General supplies		5,000		-		5,000		1,558		3,442
Total		30,845		7,500		38,345	_	34,436	_	3,909
Undistributed expend security										
Cleaning, repair, and maintenance service		3,000		-		3,000		1,665		1,335
General supplies		1,500		-		1,500				1,500
Total		4,500		-		4,500	_	1,665	_	2,835
Undistributed expend student transportation service										
Salaries for pupil trans (between home & school) - reg.		90,185		847		91,032		85,289		5,743
Contract service-aid in lieu pymts - non-public schools		14,000		(14,000)		- 1,052				5,745
Contr service (oth. than between home & school) - vend.		9,725		(14,000)		9,725		117		9,608
Contr service (between home & school) - joint agreements		274,324		14,000		288,324		278,474		9,850
Contr service (sp ed stds) - joint agreements		104,711				104,711		27,607		77,104
Miscellaneous purchased services - transportation		2,500		-		2,500		27,007		2,402
General supplies		3,000		(1,616)		1,384		449		935
Other objects		4,752		769		5,521		1,350		4,171
Total		503,197		-		503,197		393,384		109,813
Allocated banafita amplation banafita										
Allocated benefits - employee benefits										
Support services - central services				2 272		2 272		2 272		
Unused sick payment to terminated / retired staff Total		-		2,273		2,273	·	2,273		-
				,		,		,		
Total allocated benefits - employees	\$	-	\$	2,273	\$	2,273	\$	2,273	\$	-

See independent auditors' report.

General Fund

Budgetary Comparison Schedule (continued)

For the Fiscal Year Ended June 30, 2021

			τ	Jnaudited		_			Variance	
		Original		Budget		Final				Final
Expanditures (cont'd)		Budget		Transfers		Budget		Actual		to Actual
Expenditures (cont'd) Unallocated benefits - employee benefits										
Social Security contributions	\$	93,453	\$	-	\$	93,453	\$	66,989	\$	26,464
Other retirement contributions - PERS	Ψ	94,999	Ψ	(7,741)	Ψ	87,258	Ψ	86,978	Ψ	280
Other retirement contributions - regular		11,838		-		11,838		2,768		9.070
Workmen's compensation		41,580		(378)		41,202		32,975		8,227
Health benefits		1,691,923		(119,501)		1,572,422		1,282,424		289,998
Tuition reimbursement		23,000		(3,200)		19,800		2,969		16,831
Other employee benefits		10,000		3,989		13,989		8,149		5,840
Unused sick payment to terminated/retired staff		20,000		3,200		23,200		19,200		4,000
Total		1,986,793		(123,631)		1,863,162		1,502,452		360,710
On-behalf TPAF Pension contribution		-		-		-		775,744		(775,744)
On-behalf TPAF Post retirement medical benefits		-		-		-		243,106		(243,106)
On-behalf TPAF Long-term disability insurance		-		-		-		326		(326)
Reimbursed TPAF Social Security contribution Total		-		-		-		216,192		(216,192)
lotal		-		-		-		1,235,368		(1,235,368)
Total undistributed expenditures	\$	4,632,825	\$	(113,860)	\$	4,518,965	\$	4,845,768	\$	(326,803)
Total current	\$	7,597,467	\$	(33,271)	\$	7,564,196	\$	7,645,274	\$	(81,078)
Capital outlay Equipment Undistributed										
Undistributed expenditures - instruction	\$	66,667	\$	(8,016)	\$	58,651	\$	58,651	\$	-
Undistributed expend required maint. for school facilities		110,000		(110,000)		-		-		-
Undistributed expend custodial services		75,941		24,876		100,817		86,737		14,080
Undistributed expend non-instructional service		50,016		53,691		103,707		91,742		11,965
Total equipment		302,624		(39,449)		263,175		237,130		26,045
Facilities acquisition and construction service										
Construction services		5,899		56,309		62,208		10,354		51,854
Assessment for debt service on SDA funding		17,332		-		17,332		17,332		-
Total facilities acquisition and construction service		23,231		56,309		79,540		27,686		51,854
Total capital outlay	\$	325,855	\$	16,860	\$	342,715	\$	264,816	\$	77,899
Total expenditures	\$	7,923,322	\$	(16,411)	\$	7,906,911	\$	7,910,090	\$	(3,179)
Excess (deficiency) of revenues over (under) expenditures	\$	(531,313)	\$	16,411	\$	(514,902)	\$	923,988	\$	1,438,890

See independent auditors' report.

C-1 7 of 7

KINGWOOD TOWNSHIP SCHOOL DISTRICT

General Fund

Budgetary Comparison Schedule (continued)

For the Fiscal Year Ended June 30, 2021

	Unaudited Original Budget Final								Variance Final
		Budget		Transfers		Budget		Actual	to Actual
Excess (deficiency) of revenues & other financing sources		Buuger		Transfers		Duager		Tiotuur	
over (under) expenditures & other financing uses	\$	(531,313)	\$	16,411	\$	(514,902)	\$	923,988	\$ 1,438,890
Fund balances, July 1 (as restated)		4,091,601		-		4,091,601		4,091,601	 -
Fund balances, June 30	\$	3,560,288	\$	16,411	\$	3,576,699	\$	5,015,589	\$ 1,438,890
Recapitulation of excess (deficiency) of revenues									
over (under) expenditures									
Adjustment for prior year encumbrances	\$	(288,541)	\$	-	\$	(288,541)	\$	(288,541)	\$ -
Increase in capital reserve		-		855,000		855,000		855,000	-
Interest deposit to capital reserve		1,000		-		1,000		707	(293)
Increase in unemployment compensation		-		104,498		104,498		104,498	-
Interest earned on unemployment compensation		-		-		-		153	153
Budgeted fund balance		(243,772)		(943,087)		(1,186,859)		252,171	1,439,030
Total	\$	(531,313)	\$	16,411	\$	(514,902)	\$	923,988	\$ 1,438,890
Recapitulation of fund balance									
Restricted fund balance									
Excess surplus - designated for subsequent									
year's expenditures							\$	239,445	
Excess surplus - current year							Ψ	247,762	
Capital reserve								2,822,164	
Emergency reserve								250,000	
Maintenance reserve								365,000	
Unemployment compensation								513,879	
Committed fund balance								515,879	
Year-end encumbrances								111,907	
Unassigned fund balance								465,432	
Chassigned fund balance								405,452	
Fund balance per budgetary basis								5,015,589	
Reconciliation to governmental statements (GAAP)									
Last state aid payments not recognized on GAAP basis								(105,587)	
Fund balance per governmental funds (GAAP)							\$	4,910,002	

KINGWOOD TOWNSHIP SCHOOL DISTRICT Special Revenue Fund Budgetary Comparison Schedule For the Fiscal Year Ended June 30, 2021

		U	naudited			,	Variance	
	Driginal Budget		Budget ransfers	Final Budget		Actual		Final to Actual
Revenues	 Duager		Tunisters	 Dudget	·	notuui		Tietuur
Federal sources	\$ 338,514	\$	-	\$ 338,514	\$	191,996	\$	(146,518)
Local sources	 -		47,869	 47,869		47,869		
Total revenues	\$ 338,514	\$	47,869	\$ 386,383	\$	239,865	\$	(146,518)
Expenditures								
Instruction								
Salaries	\$ 66,269	\$	-	\$ 66,269	\$	3,689	\$	62,580
Purchased professional	0.522			0.522		0.522		
& technical services Other purchased services	9,523 9,220		-	9,523 9,220		9,523 9,220		-
Supplies	86,234		-	86,234		9,220 79,824		6,410
Total	 171,246			 171,246	·	102,256		68,990
	 , , ,			 ,		,		, , ,
Support services	12 510			10 510				12 210
Salaries	43,718		-	43,718		500		43,218
Tuition	78,523		-	78,523		78,523		-
Purchased professional & technical services	15,800		3,000	18,800		7,399		11,401
Other purchased services	11,318		(3,000)	8,318		3,318		5,000
Supplies	1,629		(3,000)	1,629		5,510		1,629
Student activities	- 1,027		41,669	41,669		41,669		-
Total	 150,988		41,669	 192,657	·	131,409		61,248
	 							· · · · ·
Capital outlay Instructional equipment	16,280			16,280				16,280
instructional equipment	 10,200			 10,200				10,200
Total expenditures	\$ 338,514	\$	41,669	\$ 380,183	\$	233,665	\$	146,518
Excess (deficiency) of revenues								
over (under) expenditures	\$ -	\$	6,200	\$ 6,200	\$	6,200	\$	-
Fund balances, July 1 (as restated)	\$ 14,277	\$		\$ 14,277	\$	14,277	\$	-
Fund balances, June 30	\$ 14,277	\$	6,200	\$ 20,477	\$	20,477	\$	
Recapitulation of fund balance Restricted fund balance Student activities					\$	20,477		
Fund balance per budgetary basis					\$	20,477		

See independent auditors' report.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Notes to Required Supplementary Information Budget-to-GAAP Reconciliation For the Fiscal Year Ended June 30, 2021

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures		
Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,834,078	\$ 239,865
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized: Outstanding encumbrances - prior year Outstanding encumbrances - current year	-	4,184 (2,109)
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33) State aid receivable prior year	115,548	-
State aid receivable current year	(105,587)	
Total revenues (GAAP basis)	\$ 8,844,039	\$ 241,940
Uses/Outflows of Resources	_	
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 7,910,090	\$ 233,665
Differences - 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:		
Outstanding encumbrances - prior year Outstanding encumbrances - current year	- -	4,184 (2,109)
Total expenditures (GAAP basis)	\$ 7,910,090	\$ 235,740

See independent auditors' report.

C-3

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset) - percentage	N/A	0.0079763275%	0.0085871771%	0.0089760800%	0.0081635962%	0.0085837715%	0.0069583328%	0.0074920040%	0.0068358854%	N/A
District's proportion of the net pension liability (asset) - value	\$ -	\$ 1,300,730	\$ 1,558,043	\$ 1,767,345	\$ 1,900,355	\$ 2,542,267	\$ 1,562,006	\$ 1,402,708	\$ 1,306,474	N/A
District's covered employee payroll	512,021	538,239	574,282	592,628	588,499	540,796	509,825	526,983	518,030	\$ 529,875
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	241.66%	271.30%	298.22%	322.92%	470.10%	306.38%	266.18%	252.20%	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	N/A

N/A = Information not available

See independent auditors' report.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of District's Contributions - Public Employees Retirement System Last Ten Fiscal Years

	 2021	 2020	 2019	 2018	 2017	2016	 2015	 2014	 2013	 2012
Contractually required contribution	\$ 87,257	\$ 84,109	\$ 89,283	\$ 75,627	\$ 76,257	\$ 59,823	\$ 61,763	\$ 51,507	\$ 63,410	\$ 64,113
Contributions in relation to the contractually required contribution	 (87,257)	 (84,109)	 (89,283)	 (75,627)	 (76,257)	(59,823)	(61,763)	 (51,507)	 (63,410)	 (64,113)
Contribution deficiency (excess)	\$ _	\$ _	\$ 	\$ -	\$ 	\$ -	\$ _	\$ _	\$ 	\$
District's covered employee payroll	\$ 512,021	\$ 538,239	\$ 574,282	\$ 592,628	\$ 588,499	\$ 540,796	\$ 509,825	\$ 526,983	\$ 518,030	\$ 529,875
Contributions as a percentage of covered employee payroll	17.04%	15.63%	15.55%	12.76%	12.96%	11.06%	12.11%	9.77%	12.24%	12.10%

L-2

Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund Last Ten Fiscal Years

	2021		2020	 2019	2018	 2017	 2016	 2015	2014	2013	2012	
District's proportion of the net pension liability (asset) - percentage	N/A		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	
District's proportion of the net pension liability (asset) - value	N/A	\$	-	\$ -	N/A							
State's proportionate share of the net pension liability (asset) associated with the District	\$		17,821,616	 16,224,916	 17,071,127	 18,777,566	 22,329,277	 18,658,494	16,521,374	 15,444,059		-
Total	\$	- {	17,821,616	\$ 16,224,916	\$ 17,071,127	\$ 18,777,566	\$ 22,329,277	\$ 18,658,494	\$ 16,521,374	\$ 15,444,059	\$	_
District's covered employee payroll	\$ 3,132,31	3 5	3,013,912	\$ 2,894,119	\$ 2,889,756	\$ 2,717,352	\$ 2,751,272	\$ 2,847,839	\$ 2,758,025	\$ 2,888,603	\$	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	
Plan fiduciary net position as a percentage of the total pension liability	N/A		24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	N/A	

N/A = Information not available

See independent auditors' report.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of District's Contributions - Teacher's Pension and Annuity Fund Last Ten Fiscal Years

	 2021	 2020	 2019	 2018	 2017	 2016	2015	 2014	 2013	 2012
Contractually required contribution	\$ 613,288	\$ 531,563	\$ 530,845	\$ 404,758	\$ 312,117	\$ 227,259	\$ 159,601	\$ 130,769	\$ 197,456	\$ 94,620
Contributions in relation to the contractually required contribution	 (613,288)	 (531,563)	 (530,845)	 (404,758)	 (312,117)	 (227,259)	(159,601)	 (130,769)	 (197,456)	 (94,620)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ _	\$ _	\$ -	\$ -	\$ _
District's covered employee payroll	\$ 3,132,313	\$ 3,013,912	\$ 2,894,119	\$ 2,889,756	\$ 2,717,352	\$ 2,751,272	\$ 2,847,839	\$ 2,758,025	\$ 2,888,603	\$ 2,975,325
Contributions as a percentage of covered employee payroll	19.58%	17.64%	18.34%	14.01%	11.49%	8.26%	5.60%	4.74%	6.84%	3.18%

L-4

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportionate share of the other postemployment employee benefits liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee benefits liability (asset) - value	N/A	\$ -	\$-	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other postemployment employee benefits liability (asset) associated	21/4	21 211 490	12 425 592	14 200 755	17 104 229	21/4	N//A	N/A	N1/A	N/A
with the District	N/A	21,311,480	13,425,583	14,308,755	17,104,228	N/A	N/A	N/A	N/A	N/A
Total	\$	- \$ 21,311,480	\$ 13,425,583	\$ 14,308,755	\$ 17,104,228	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 3,552,151	\$ 3,468,401	\$ 3,482,384	\$ 3,305,851	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total other post employment employee benefits liability	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information Not Available

See independent auditors' report.

M-1

KINGWOOD TOWNSHIP SCHOOL DISTRICT Notes to the Required Supplementary Information - Part III (Unaudited) June 30, 2021

- Note 1 Special funding situation TPAF and other postretirement benefits The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 -Changes in assumptions TPAF
The discount rate was 5.60% in State fiscal year 2019 and 5.40% in State fiscal year 2020.
The inflation rate was 2.75% in State fiscal year 2019 and 2.75% in State fiscal year 2020.
- Note 3 <u>Changes in assumptions PERS</u> The discount rate was 6.28% in State fiscal year 2019 and 7.00% in State fiscal year 2020. The inflation rate was 2.75% for State fiscal year 2019 and 2.75% for State fiscal year 2020.
- Note 4 <u>Changes in assumptions other postretirement employee benefits</u> The other postretirement employee benefits discount rate decreased from 3.50% in State fiscal year 2019 to 2.21% in State fiscal year 2020. The inflation rate was 2.50% for State fiscal year 2019 and 2020.
- Note 5 <u>Changes in healthcare trend assumptions other postretirement employee benefits</u> For Pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.
- Note 6 <u>Changes in benefit term assumptions other postretirement employee benefits</u> There were no changes of the benefit terms from June 30, 2019 to June 30, 2020.

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Special Revenue Fund Combining Schedule of Program Revenues and Expenditures - Budgetary Basis For the Fiscal Year Ended June 30, 2021

		IDEA Basic		IDEA eschool		ESSA IA]	ESSA IIA		ESSA IV	Er	CARES nergency Relief		ronavirus lief Fund		CRRSA SSER II	L	CRRSA earning celeration	:	hall, Rural School hievement		Student		Total
Revenues Federal sources	\$	78,523	\$	3,689	\$	24,414	\$	5,318	\$	10,000	\$	19,523	\$	13,095	\$	1.109	\$	2,399	\$	33,926	\$		\$	191,996
Local sources	φ		ψ		φ	-	ψ		Φ	-	φ		φ		Φ	-	Φ		φ		Φ	47,869	ψ	47,869
Total revenues	\$	78,523	\$	3,689	\$	24,414	\$	5,318	\$	10,000	\$	19,523	\$	13,095	\$	1,109	\$	2,399	\$	33,926	\$	47,869	\$	239,865
Expenditures																								
Instruction Salaries Purchased professional	\$	-	\$	3,689	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,689
& technical services		-		-		-		-		-		9,523		-		-		-		-		-		9,523
Other purchased services		-		-		9,220		-		-		-		-		-		-		-		-		9,220
Supplies		-		-		11,694		-		10,000		10,000		13,095		1,109		-		33,926		-		79,824
Total	_	-	_	3,689	_	20,914		-	_	10,000	_	19,523		13,095	_	1,109		-		33,926		-		102,256
Support services																								
Salaries		-		-		500		-		-		-		-		-		-		-		-		500
Tuition		78,523		-		-		-		-		-		-		-		-		-		-		78,523
Purchased professional																								
& technical services		-		-		3,000		2,000		-		-		-		-		2,399		-		-		7,399
Other purchased services		-		-		-		3,318		-		-		-		-		-		-		-		3,318
Student activities		-		-		-		-		-		-		-		-		-		-		41,669		41,669
Total		78,523		-		3,500		5,318		-		-		-		-		2,399		-		41,669		131,409
Total expenditures	\$	78,523	\$	3,689	\$	24,414	\$	5,318	\$	10,000	\$	19,523	\$	13,095	\$	1,109	\$	2,399	\$	33,926	\$	41,669	\$	233,665

KINGWOOD TOWNSHIP SCHOOL DISTRICT Special Revenue Fund Combining Schedule of Program Revenues and Expenditures - Budgetary Basis (continued) For the Fiscal Year Ended June 30, 2021

	 IDEA Basic		ID Preso	EA chool	 ESSA IA		ESS. IIA		 ESSA IV	<u> </u>	Eme	ARES ergency elief	oronavirus elief Fund	CRRSA SSER II	CRRSA Learning Acceleration	Small, Rural School Achievement		Student Activities	 Total
Excess (deficiency) of revenues over (under) expenditures	\$	-	\$	-	\$	- 5	\$	-	\$	-	\$	-	\$ -	\$ -	\$-	\$-	\$	6,200	\$ 6,200
Fund balances, July 1 (as restated)		-		-	 -			-		-		-	 	 -		 	_	14,277	 14,277
Fund balances, June 30	\$	-	\$	-	\$		5	-	\$	-	\$	-	\$ _	\$ -	\$ -	 \$ <u>-</u>	\$	20,477	\$ 20,477

CAPITAL PROJECTS FUND

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

(NOT APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

See Statements B-4, B-5, and B-6.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

(NOT APPLICABLE TO THIS REPORT)

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Long-Term Debt Schedule of Serial Bonds June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Date	Maturities Amount	Interest Rate	Balance 07/01/20	Issued	Retired	Balance 06/30/21
Refunding school bonds of 2011	07/15/11	\$ 2,270,000	07/15/21 07/15/22 07/15/23	\$ 220,000 230,000 235,000	4.00% 4.00% 4.00%		\$ - - -	\$ 215,000 	\$ 685,000 - -
						\$ 900,000	<u>\$</u> -	\$ 215,000	\$ 685,000

I-1

KINGWOOD TOWNSHIP SCHOOL DISTRICT Debt Service Fund Budgetary Comparison Schedule June 30, 2021

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 245,625	\$ -	\$ 245,625	\$ 245,625	\$ -
Total revenues	245,625		245,625	245,625	
Expenditures					
Regular debt service					
Interest on bonds	30,625	-	30,625	30,625	-
Redemption of principal	215,000	-	215,000	215,000	-
Total expenditures	245,625		245,625	245,625	
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1					
Fund balance, June 30	<u> </u>	<u>\$ </u>	\$	\$	<u>\$ -</u>

STATISTICAL SECTION

KINGWOOD TOWNSHIP SCHOOL DISTRICT Statistical Section J Series

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.	J-1 to J-5
REVENUE CAPACITY	5-1 10 5-5
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
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.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

KINGWOOD TOWNSHIP SCHOOL DISTRICT Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting)

								Fiscal Year E	ndeo	l June 30,							
		2012	2013	2014		2015		2016		2017	2018		2019		2020		2021
Government activities																	
Net investment in capital assets	\$	3,736,772	\$ 4,074,821	\$ 4,240,572	\$	4,930,862	\$	5,831,445	\$	6,105,798	\$ 6,450,729	\$	6,707,964	\$	7,444,305	\$	7,579,817
Restricted		1,036,926	1,208,751	2,130,676		1,939,228		1,455,925		1,912,048	1,849,981		2,342,525		3,004,962		3,971,520
Unrestricted		267,171	255,780	(1,077,386)		(1,042,274)		(976,178)		(1,245,881)	(1,114,987)		(1,133,906)		(1,088,344)		(1,053,179)
Total governmental activities	\$	5,040,869	\$ 5,539,352	\$ 5,293,862	\$	5,827,816	\$	6,311,192	\$	6,771,965	\$ 7,185,723	\$	7,916,583	\$	9,360,923	\$	10,498,158
Business-type activities																	
Net investment in capital assets	\$	40,471	\$ 37,818	\$ 32,100	\$	26,886	\$	21,671	\$	31,323	\$ 30,030	\$	24,641	\$	21,610	\$	17,732
Unrestricted		21,520	19,571	33,038		42,672		41,909		20,967	16,889		19,767		21,414		48,525
Total business-type activities	\$	61,991	\$ 57,389	\$ 65,138	\$	69,558	\$	63,580	\$	52,290	\$ 46,919	\$	44,408	\$	43,024	\$	66,257
District-wide																	
Net investment in capital assets	\$	3,777,243	\$ 4,112,639	\$ 4,272,672	\$	4,957,748	\$	5,853,116	\$	6,137,121	\$ 6,480,759	\$	6,732,605	\$	7,465,915	\$	7,597,549
Restricted		1,036,926	1,208,751	2,130,676		1,939,228		1,455,925		1,912,048	1,849,981		2,342,525		3,004,962		3,971,520
Unrestricted		288,691	275,351	(1,044,348)		(999,602)		(934,269)		(1,224,914)	(1,098,098)		(1,114,139)		(1,066,930)		(1,004,654)
Total district-wide	\$	5,102,860	\$ 5,596,741	\$ 5,359,000	\$	5,897,374	\$	6,374,772	\$	6,824,255	\$ 7,232,642	\$	7,960,991	\$	9,403,947	\$	10,564,415
	_				_		-		-			_		-	*	-	

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

KINGWOOD TOWNSHIP SCHOOL DISTRICT Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)

					Fiscal Year E	Ended June 30,				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses						ų.				
Governmental activities										
Instruction										
Regular	\$ 3,070,630	\$ 3,112,909	\$ 3,022,923	\$ 3,206,260	\$ 3,817,127	\$ 3,875,298	\$ 4,363,152	\$ 4,089,154	\$ 3,718,438	\$ 4,493,540
Special education	857,343	867,963	877,529	1,175,540	1,097,366	1,406,699	1,283,334	1,101,860	1,090,786	1,265,401
Other special education	198,269	200,229	180,199	371,650	482,853	244,389	430,511	543,910	490,981	543,898
Other instruction	37,754	45,710	39,480	152,006	81,956	405,393	255,049	134,326	516,955	204,191
Support services										
Tuition	90,695	94,322	104,236	144,050	74,950	59,236	125,147	144,006	110,954	115,547
Student & instruction										
related services	945,903	944,407	975,555	1,071,434	1,230,493	1,328,133	1,594,169	1,441,208	1,420,910	1,701,072
General & business										
administrative services	572,838	586,221	528,792	563,365	529,713	583,854	662,575	631,323	615,184	652,238
School administration	185,949	197,010	169,340	199,112	219,729	196,937	249,681	223,718	100,716	84,734
Plant operations &										
maintenance	669,183	657,876	688,455	682,629	681,050	859,519	799,735	717,291	718,050	695,565
Pupil transportation	382,671	344,179	262,598	324,243	305,062	311,598	374,274	372,903	336,237	470,729
Interest on long-term debt	109,402	73,409	76,236	72,636	68,845	63,223	57,236	51,092	44,943	38,504
Total governmental										
activities expenses	7,120,637	7,124,235	6,925,343	7,962,925	8,589,144	9,334,279	10,194,863	9,450,791	9,164,154	10,265,419
Business-type activities										
Food services	118,836	112,744	95,055	100,249	106,740	117,841	116,586	118,002	94,262	77,522
Total business-type activities	118,836	112,744	95,055	100,249	106,740	117,841	116,586	118,002	94,262	77,522
Total district expenses	\$ 7,239,473	\$ 7,236,979	\$ 7,020,398	\$ 8,063,174	\$ 8,695,884	\$ 9,452,120	\$ 10,311,449	\$ 9,568,793	\$ 9,258,416	\$ 10,342,941

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Changes in Net Position (continued) Last Ten Fiscal Years (Accrual Basis of Accounting)

J-2 2 of 3

										Fiscal Year E	nde	d June 30,								
		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021
Program revenues Governmental activities																				
Charges for services	\$	36,736	\$	37.120	\$	52,753	\$	71.046	\$	69,083	\$	56,450	\$	55.047	\$	89,230	\$	371,019	\$	385,374
Operating grants & contributions	φ	142,694	φ	140,992	φ	128,482	φ	129,552	φ	145,198	φ	140,287	φ	150,968	φ	148,980	φ	138,508	φ	194,071
Capital grants & contributions		142,094		8,704		359,840		37,700		145,196		140,207		150,500		140,200		150,500		
Total governmental activities		179,430		186,816		541,075		238,298		214,281		196,737		206,015		238,210	_	509,527		579,445
Business-type activities																				
Charges for services Food service		90,233		81.418		76,986		75,889		71,933		74,080		81,866		85,146		64,990		641
Operating grants & contributions		90,233 24,152		26,646		25,729		28,641		28,615		32,226		29,133		83,146 30,018		26,091		99,905
Total business-type activities		114,385		108,064		102,715		104,530		100,548		106,306		110,999		115,164	—	91,081		100,546
Total busiless-type activities		114,365		108,004		102,713		104,550		100,548		100,300		110,999		115,104		91,081		100,540
Total district-wide program revenues	\$	293,815	\$	294,880	\$	643,790	\$	342,828	\$	314,829	\$	303,043	\$	317,014	\$	353,374	\$	600,608	\$	679,991
Net (expense) revenues																				
Governmental activities	\$	(6,941,207)	\$	(6,937,419)	\$	(6,384,268)	\$	(7,724,627)	\$	(8,374,863)	\$	(9,137,542)	\$	(9,988,848)	\$	(9,212,581)	\$	(8,654,627)	\$	(9,685,974)
Business-type activities	_	(4,451)		(4,680)		7,660		4,281		(6,192)		(11,535)		(5,587)		(2,838)		(3,181)		23,024
Total district-wide net expenses	\$	(6,945,658)	\$	(6,942,099)	\$	(6,376,608)	\$	(7,720,346)	\$	(8,381,055)	\$	(9,149,077)	\$	(9,994,435)	\$	(9,215,419)	\$	(8,657,808)	\$	(9,662,950)
General revenues & other																				
changes in net position Governmental activities Property taxes levied for																				
general purposes	\$	5,173,467	\$	5,263,158	\$	5,263,158	\$	5,263,158	\$	5,368,421	\$	5,475,786	\$	5,584,205	\$	5,694,797	\$	5,808,687	\$	5,924,849
Taxes levied for debt service	φ	252,173	φ	232,894	φ	247,050	φ	243,450	φ	249,750	φ	245,000	φ	249,150	φ	248,075	φ	241,925	φ	245,625
Unrestricted grants & contributions		1,904,875		1,913,148		1,872,489		2,804,617		3,207,193		3,854,308		4,525,951		3,913,662		3,554,052		4,626,461
State capital projects grant deobligated		(34,068)		1,913,148		1,0/2,409		(79,054)		5,207,195		5,854,508		4,525,951		3,913,002		3,334,032		4,020,401
Investment earnings		18,220		9,412		10,940		10,856		10,757		12,583		29,488		42,068		31,868		1,815
Miscellaneous income		8,344		17,290		10,940		15,554		22,118		12,585		17,708		44,839		45,064		44,459
Loss on disposal of capital assets		8,544		17,290		(10,738)		15,554		- 22,110		10,058		(3,896)				(6,134)		(20,000)
Total governmental activities		7.323.011		7.435.902		7.393.745		8,258,581		8.858.239		9,598,315		10.402.606		9,943,441		9,675,462		10,823,209
Total governmental activities		,,525,011		7,755,702		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		0,200,001		0,000,200		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		10,402,000		2,272,771		5,075,402		10,023,207

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Changes in Net Position (continued) Last Ten Fiscal Years (Accrual Basis of Accounting)

									Fiscal Year E	nde	d June 30,								
	_	2012	2013		2014		2015		2016		2017		2018		2019		2020		2021
General revenues & other changes in net position (cont'd) Business-type activities	•	245	-	•		¢	120	•	1(0	¢	1.65	•	216	¢	225	¢	264	¢	
Investment earnings Miscellaneous income Loss on disposal of capital assets	\$	247	\$ 78	\$	93 - (4)	\$	139	\$	169 45	\$	157 88	\$	216	\$	327	\$	264 1,533	\$	9 200
Total business-type activities		247	78		89		139		214		245		216		327		1,797		209
Total district-wide	\$	7,323,258	\$ 7,435,980	\$	7,393,834	\$	8,258,720	\$	8,858,453	\$	9,598,560	\$	10,402,822	\$	9,943,768	\$	9,677,259	\$	10,823,418
Change in net position Governmental activities Business-type activities	\$	381,804 (4,204)	\$ 498,483 (4,602)	\$	1,009,477 7,749	\$	533,954 4,420	\$	483,376 (5,978)	\$	460,773 (11,290)	\$	413,758 (5,371)	\$	730,860 (2,511)	\$	1,020,835 (1,384)	\$	1,137,235 23,233
Total district	\$	377,600	\$ 493,881	\$	1,017,226	\$	538,374	\$	477,398	\$	449,483	\$	408,387	\$	728,349	\$	1,019,451	\$	1,160,468

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

J-2

KINGWOOD TOWNSHIP SCHOOL DISTRICT Fund Balances - Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

						Fiscal Year E	ndec	l June 30,							
	2012	2013		2014	 2015	2016		2017		2018		2019	2020		2021
General fund															
Restricted	\$ 890,398	\$ 1,419,146	\$	1,483,952	\$ 1,320,429	\$ 1,476,274	\$	1,856,119	\$	2,158,822	\$	2,740,294	\$ 3,473,902	\$	4,438,250
Committed	90,441	140,885		95,156	130,289	212,013		78,557		332,851		277,226	288,541		111,907
Assigned	-	-		-	-	2		26,414		34,455		-	-		-
Unassigned	223,427	187,614		177,660	179,024	196,387		226,504		185,887		228,512	213,610		359,845
Total general fund	\$ 1,204,266	\$ 1,747,645	\$	1,756,768	\$ 1,629,742	\$ 1,884,676	\$	2,187,594	\$	2,712,015	\$	3,246,032	\$ 3,976,053	\$	4,910,002
											-		*		
All other governmental funds															
Restricted, reported in															
Special revenue fund	\$ -	\$ -	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-	\$ 14,277	\$	20,477
Capital projects fund	342,436	-		858,437	837,473	205,830		323,252		-		-	-		-
Assigned, reported in															
Debt service fund	14,334	-		-	-	-		-		-		-	-		-
Total all other governmental funds	\$ 356,770	\$ -	\$	858,437	\$ 837,473	\$ 205,830	\$	323,252	\$	-	\$	-	\$ 14,277	\$	20,477
			_						_		_		*	_	

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

KINGWOOD TOWNSHIP SCHOOL DISTRICT Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

						Fiscal Year E	nded	June 30,				
	 2012	2013	2014	 2015	_	2016		2017	2018	 2019	2020	2021
Revenues												
Tax levy	\$ 5,425,640	\$ 5,496,052	\$ 5,510,208	\$ 5,506,608	\$	5,618,171	\$	5,720,786	\$ 5,833,355	\$ 5,942,872	\$ 6,050,612	\$ 6,170,474
Tuition charges	29,561	30,945	42,628	64,671		61,645		51,600	50,347	81,980	364,769	333,605
Interest earnings	18,220	9,412	10,940	10,856		10,757		12,583	29,488	42,068	31,868	1,815
Rents and royalties	-	-	-	-		7,438		4,850	4,700	7,250	6,250	3,900
Sale of property	-	-	-	-		6,356		-	3,930	-	-	-
Miscellaneous	15,519	23,465	20,971	21,929		15,762		10,638	13,778	44,839	45,064	92,328
State sources	1,855,296	1,913,148	2,232,329	1,947,130		2,067,924		2,176,477	2,227,493	2,351,225	2,306,851	2,535,411
Federal sources	192,273	140,992	128,482	130,034		145,198		140,384	150,968	148,980	138,508	194,071
Total revenues	 7,536,509	 7,614,014	 7,945,558	 7,681,228	_	7,933,251		8,117,318	 8,314,059	 8,619,214	 8,943,922	 9,331,604
Expenditures												
Instruction												
Regular instruction	2,137,132	2,081,511	2,078,379	1,924,618		2,014,300		1,948,155	1,936,589	1,924,627	1,995,484	1,999,061
Special education instruction	583,982	567,461	578,178	611,792		556,345		574,183	552,788	512,137	568,859	546,552
Other special instruction	131,687	131,117	119,166	200,577		223,682		218,369	200,585	232,688	237,223	218,389
Other instruction	36,543	44,079	37,973	40,191		47,208		50,864	48,571	53,913	53,683	35,504
Support services)			- ,		.,		,	- ,)	,	
Tuition	11,830	11,149	25,707	69,899		74,950		-	54,206	74,232	41,053	37,024
Student & instructional												
related services	682,694	668,329	746,047	648,465		730,827		742,463	736,361	715,030	748,944	776,259
General administration	221,041	225,903	181,614	193,440		176,563		185,629	172,039	166,136	185,189	160,346
School administration services	133,608	138,048	124,734	118,735		121,898		116,533	125,634	110,062	78,599	67,905
Central services	203,615	188,170	196,183	189,072		211,340		170,201	179,217	176,804	185,662	132,564
Plant operations &												
maintenance	577,862	570,174	619,117	588,885		569,036		721,301	599,639	577,424	586,823	540,466
Pupil transportation	375,689	338,565	255,468	310,881		288,307		291,017	345,147	351,066	314,079	393,384
Employee benefits	1,066,660	1,112,959	1,028,928	1,154,708		1,252,847		1,189,714	1,430,710	1,406,694	1,314,722	1,502,452
On-behalf TPAF Pension &												
Social Security contributions	509,754	633,260	548,021	616,039		693,474		763,601	867,829	972,595	1,037,770	1,235,368
Capital outlay	40,857	49,783	94,456	11,786		55,464		104,251	86,125	307,402	790,274	247,484
Capital projects	407,258	257,903	41,163	670,742		866,439		198,078	295,500	-	-	-
Special revenue funds	142,694	140,992	128,482	129,552		145,198		140,287	150,968	148,980	138,508	235,740
Debt service												
Principal	145,000	175,000	180,000	180,000		190,000		190,000	200,000	205,000	205,000	215,000
Interest & other charges	92,839	83,002	84,382	80,782		77,082		72,332	66,482	60,407	54,257	47,957
Total expenditures	 7,500,745	7,417,405	 7,067,998	 7,740,164		8,294,960		7,676,978	8,048,390	 7,995,197	8,536,129	 8,391,455

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

J-4 1 of 2

KINGWOOD TOWNSHIP SCHOOL DISTRICT Changes in Fund Balances - Governmental Funds (continued) Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

					F	Fiscal Year Ei	nded	June 30,				
	2012	2013	 2014	 2015		2016		2017	2018	 2019	2020	2021
Excess (deficiency) of revenues over (under) expenditures	\$ 35,764	\$ 196,609	\$ 877,560	\$ (58,936)	\$	(361,709)	\$	440,340	\$ 265,669	\$ 624,017	\$ 407,793	\$ 940,149
Other financing sources (uses)												
NJSDA Grant deobligated	(34,068)	-	-	(79,054)		-		-	-	-	-	-
Transfers out	 (20,000)	(10,000)	 (10,000)	 (10,000)		(15,000)		(20,000)	(64,500)	 (90,000)	(87,000)	-
Total other financing												
sources (uses)	 (54,068)	 (10,000)	 (10,000)	 (89,054)		(15,000)		(20,000)	(64,500)	 (90,000)	 (87,000)	
Net change in fund balances	\$ (18,304)	\$ 186,609	\$ 867,560	\$ (147,990)	\$	(376,709)	\$	420,340	\$ 201,169	\$ 534,017	\$ 320,793	\$ 940,149
Debt service as a percentage of non-capital expenditures	3.49%	3.77%	3.96%	3.84%		3.76%		3.69%	3.60%	3.58%	3.46%	3.34%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.

2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

J-4 2 of 2

KINGWOOD TOWNSHIP SCHOOL DISTRICT General Fund - Other Local Revenues by Source Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

					F	Fiscal Year E	nded	June 30,					
	 2012	2013	2014	2015		2016		2017	2018		2019	2020	2021
Interest income	\$ 18,220	\$ 9,412	\$ 10,940	\$ 10,856	\$	10,757	\$	12,583	\$ 29,488	\$	42,068	\$ 31,868	\$ 1,815
Tuition	29,561	30,945	42,628	64,671		61,645		51,600	50,347		81,980	364,769	333,605
Shared services	-	-	-	-		-		-	-		39,055	29,056	15,625
Building use fees	7,175	6,175	5,100	6,375		7,438		4,850	4,700		7,250	6,250	3,900
Prior year refunds	4,994	385	1,079	7,050		8,292		554	373		607	9,964	5,326
Accounts payable canceled	622	6,156	2,808	3,043		2,038		4,331	5,141		2,180	658	22,805
Miscellaneous other	30	-	-	41		117		113	404		237	506	683
Semi payments	298	-	-	-		-		-	-		-	-	-
Sale of assets	2,400	-	-	-		6,356		-	3,930		-	200	-
Training fees	-	3,075	-	-		-		-	-		-	-	-
Sale of textbooks	-	1,304	79	-		-		-	-		-	-	-
iPad reimbursements	-	6,370	5,880	5,420		5,220		4,640	4,160		2,760	4,680	20
Workshops	-	-	5,025	-		-		-	-		-	-	-
NJ School boards insurance													
safety incentive	-	-	1,000	-		-		1,000	3,700		-	-	-
Donations	 -	 -	 -	 -		95		-	 -	·	-	 -	 -
Annual totals	\$ 63,300	\$ 63,822	\$ 74,539	\$ 97,456	\$	101,958	\$	79,671	\$ 102,243	\$	176,137	\$ 447,951	\$ 383,779

Source: District records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

J-5

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

					Fiscal Year E	nded June 30,				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Vacant land	\$ 20,682,400	\$ 20,444,100	\$ 18,828,600	\$ 22,065,150	\$ 21,949,750	\$ 20,706,400	\$ 20,700,000	\$ 20,041,000	\$ 18,674,100	\$ 18,219,000
Residential	417,770,800	420,624,300	422,482,000	421,252,699	428,026,899	427,194,899	430,839,699	430,083,000	432,643,895	433,833,245
Farm regular	114,411,900	113,888,600	113,765,600	113,811,201	110,891,300	113,641,700	110,696,300	113,957,800	115,705,800	117,750,900
Qualified farm	5,810,800	5,711,500	5,624,100	5,480,300	5,381,800	5,300,000	5,292,300	5,289,900	5,280,500	5,034,040
Commercial	34,583,000	34,945,700	34,980,300	34,962,700	35,012,700	34,962,400	34,962,400	35,339,300	35,389,300	35,075,100
Industrial	9,346,600	9,346,600	9,381,100	9,381,100	8,921,900	8,921,900	8,921,900	8,921,900	8,972,900	8,972,900
Apartment	1,988,300	1,988,300	1,988,300	1,988,300	1,988,300	1,988,300	1,947,600	2,009,500	2,009,500	2,009,500
Total assessed value	604,593,800	606,949,100	607,050,000	608,941,450	612,172,649	612,715,599	613,360,199	615,642,400	618,675,995	620,894,685
Public utilities (a)	1,663,096	1,480,282	1,476,753	1,653,010	1,544,943	1,545,288	1,545,288	1,545,288		1,437,091
Net valuation taxable	\$ 606,256,896	\$ 608,429,382	\$ 608,526,753	\$ 610,594,460	\$ 613,717,592	\$ 614,260,887	\$ 614,905,487	\$ 617,187,688	\$ 618,675,995	\$ 622,331,776
Estimated actual county equalized value	\$ 639,241,772	\$ 629,713,705	\$ 613,859,175	\$ 618,887,553	\$ 601,302,608	\$ 608,735,456	\$ 623,130,814	\$ 615,407,488	\$ 626,253,664	\$ 639,469,561
Percentage of net valuation to estimated actual equalized value	94.84%	96.62%	99.13%	98.66%	102.06%	100.91%	98.68%	100.29%	98.79%	97.32%
Total direct school tax rate (b)	\$ 0.907	\$ 0.906	\$ 0.905	\$ 0.919	\$ 0.932	\$ 0.950	\$ 0.966	\$ 0.981	\$ 0.998	\$ 1.010

Source: Municipal tax assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.

(b) Tax rates are per \$100.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Rate Per \$100 of Assessed Value)

	_	Se	chool Di	strict Direc	ct Rate									-	Fotal
			Ge	eneral	(Fro	om J-6)	Regional							Di	rect &
Assessment	E	Basic	Obliga	tion Debt	Tota	l Direct	School		Overlapp	ing Ra	ates	F	ire	Ove	rlapping
Year	Ra	ate (a)	Serv	vice (b)	School	Tax Rate	Rate	Mu	nicipality	С	ounty	Dis	strict	Та	x Rate
2012	\$	0.865	\$	0.042	\$	0.907	\$ 0.571	\$	0.225	\$	0.373	\$	-	\$	2.076
2013		0.868		0.038		0.906	0.588		0.231		0.378		-		2.103
2014		0.864		0.041		0.905	0.613		0.241		0.371		-		2.130
2015		0.878		0.041		0.919	0.611		0.252		0.377		-		2.159
2016		0.891		0.041		0.932	0.625		0.259		0.366		-		2.182
2017		0.909		0.041		0.950	0.617		0.265		0.368		-		2.200
2018		0.925		0.041		0.966	0.652		0.295		0.383		-		2.296
2019		0.940		0.041		0.981	0.634		0.324		0.376		-		2.315
2020		0.958		0.040		0.998	0.635		0.340		0.382		-		2.355
2021		0.970		0.040		1.010	0.680		0.357		0.387		-		2.434

Sources: Municipal Tax Collector

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

Note: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Principal Property Taxpayers Current Year and Nine Years Ago

		2021			2012	
	Taxable		% of Total	Taxable		% of Total
	Assessed		District Net	Assessed		District Net
	 Value	Rank	Assessed Value	 Value	Rank	Assessed Value
Buckeye Pipeline Co	\$ 4,575,000	1	0.74%	\$ 4,575,000	1	0.75%
Kingwood Flex LLC	4,188,100	2	0.67%	-		-
Mel Chemicals Inc	3,549,200	3	0.57%	3,463,700	3	0.57%
Buckeye Pipeline Co	3,040,000	4	0.49%	3,040,000	5	0.50%
Perini Properties LLC	2,895,500	5	0.47%	-		-
Frenchtown III Solar LLC	2,628,700	6	0.42%	-		-
869 Associates LLC	2,324,100	7	0.37%	2,324,100	8	0.38%
Frenchtown III Solar LLC	1,657,500	8	0.27%	-		-
Individual Property Owner	1,650,800	9	0.27%	1,650,800	10	0.27%
Frenchtown II Solar LLC	1,500,000	10	0.24%	-		-
Route 12 Business Park LLC	-		-	4,188,100	2	0.69%
Horseshoe Bend LLC	-		-	3,110,300	4	0.51%
Lutz Welding & Fabricating Inc	-		-	2,895,500	6	0.48%
Frenchtown Run LLC	-		-	2,500,000	7	0.41%
Horseshoe Bend LLC	 -		-	 1,750,000	9	0.29%
	\$ 28,008,900		4.51%	\$ 29,497,500		4.85%

Source: Municipal Tax Assessor

See independent auditors' report.

J-8

KINGWOOD TOWNSHIP SCHOOL DISTRICT Property Tax Levies and Collections Last Ten Years

		Collected within	the Year
		of the Levy	<i>v</i> (a)
Year Ending	Taxes Levied		Percentage
June 30,	for the Year	Amount	of Levy
2012	\$ 5,425,640	\$ 5,425,640	100.00%
2013	5,496,052	5,496,052	100.00%
2014	5,510,208	5,510,208	100.00%
2015	5,506,608	5,506,608	100.00%
2016	5,618,171	5,618,171	100.00%
2017	5,720,786	5,720,786	100.00%
2018	5,833,355	5,833,355	100.00%
2019	5,942,872	5,942,872	100.00%
2020	6,050,612	6,050,612	100.00%
2021	6,170,474	6,170,474	100.00%

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

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

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

		Governmental	Activities		Business-Type			
Fiscal Year	General	Certificates		Bond	Activities		% of	
Ending	Obligation	of	Capital	Anticipation	Capital	Total	Personal	Per
June 30,	Bonds	Participation	Leases	Notes (BANs)	Leases	District	Income (a)	Capita (a)
2012	\$ 2,425,000	\$ -	\$ -	\$ -	\$ -	\$ 2,425,000	0.88%	\$ 634
2013	2,250,000	-	-	-	-	2,250,000	0.79%	591
2014	2,070,000	-	-	-	-	2,070,000	0.73%	545
2015	1,890,000	-	-	-	-	1,890,000	0.64%	502
2016	1,700,000	-	-	-	-	1,700,000	0.56%	451
2017	1,510,000	-	-	-	-	1,510,000	0.48%	403
2018	1,310,000	-	-	-	-	1,310,000	0.41%	350
2019	1,105,000	-	-	-	-	1,105,000	0.33%	295
2020	900,000	-	-	-	-	900,000	0.26%	240
2021	685,000	-	-	-	-	685,000	N/A	183

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

N/A Information is not available

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

	General	Bonded Debt Out	standing	% of Actual	
Fiscal Year	General		Net General	Taxable	
Ending	Obligation		Bonded Debt	Value of	Per
June 30,	Bonds	Deductions	Outstanding	Property (a)	Capita (b)
2012	\$ 2,425,000	\$ -	\$ 2,425,000	0.40%	634
2013	2,250,000	-	2,250,000	0.37%	591
2014	2,070,000	-	2,070,000	0.34%	545
2015	1,890,000	-	1,890,000	0.31%	502
2016	1,700,000	-	1,700,000	0.28%	451
2017	1,510,000	-	1,510,000	0.25%	403
2018	1,310,000	-	1,310,000	0.21%	350
2019	1,105,000	-	1,105,000	0.18%	295
2020	900,000	-	900,000	0.15%	240
2021	685,000	-	685,000	0.11%	183

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

* Revalued/Reassessed

KINGWOOD TOWNSHIP SCHOOL DISTRICT Direct and Overlapping Governmental Activities Debt As of December 31, 2020

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes Municipality Regional High School County general obligation debt	\$ 2,057,624 - 90,647,955	100.00% 26.14% 2.87%	\$ 2,057,624 - 2,597,357
Subtotal, overlapping debt			4,654,981
School District direct debt			 685,000
Total direct and overlapping debt			\$ 5,339,981

- Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.
 - Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the municipality. This process recognizes that when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping payment.
 - (a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another Governmental Unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Legal Debt Margin Information Last Ten Fiscal Years

Legal Debt Margin Calculation	for Fiscal Year 20	21		
	Equaliz	d Va	lua	tion Basis
	2020		\$	635,713,106
	2019			623,182,913
	2018			611,586,598
		=	\$	1,870,482,617
Average equalized valuation of taxable property		=	\$	623,494,206
Debt limit (3.0% of average equalization value)		a)	\$	18,704,826
Total net debt applicable to limit		_		685,000
Legal debt margin		_	\$	18,019,826

			Fiscal Year		
	2017	2018	2019	2020	2021
Debt limit	\$ 18,185,391	\$ 18,241,557	\$ 18,391,503	\$ 18,556,811	\$ 18,704,826
Total net debt applicable	 1,510,000	 1,310,000	 1,105,000	 900,000	 685,000
Legal debt margin	\$ 16,675,391	\$ 16,931,557	\$ 17,286,503	\$ 17,656,811	\$ 18,019,826
Total net debt applicable to the limit as a percentage of debt limit	8.30%	7.18%	6.01%	4.85%	3.66%
	 2012	2013	Fiscal Year 2014	2015	2016
Debt limit	\$ 19,915,021	\$ 19.219.333	\$ 18,749,237	\$ 18,506,704	\$ 18.215.184

Debt limit	\$ 19,915,021	\$ 19,219,333	\$ 18,749,237	\$ 18,506,704	\$ 18,215,184
Total net debt applicable	 2,425,000	 2,250,000	 2,070,000	 1,890,000	 1,700,000
Legal debt margin	\$ 17,490,021	\$ 16,969,333	\$ 16,679,237	\$ 16,616,704	\$ 16,515,184
Total net debt applicable to the limit as a percentage of debt limit	12.18%	11.71%	11.04%	10.21%	9.33%

Source: Equalized valuation basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report. 100

KINGWOOD TOWNSHIP SCHOOL DISTRICT Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2012	3,823	\$ 275,011,328	\$ 71,9	
2013	3,804	286,209,156	75,2	39 4.9%
2014	3,797	284,983,835	75,0	55 4.9%
2015	3,765	295,834,875	78,5	75 4.7%
2016	3,766	305,128,852	81,0	22 3.9%
2017	3,747	313,777,527	83,7	41 3.9%
2018	3,742	318,189,744	85,0	32 3.5%
2019	3,747	331,853,055	88,5	65 3.1%
2020	3,749	345,998,959	92,2	91 7.4%
2021	N/A	N/A	N	I/A N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Principal Employers Current Year and Nine Years Ago

2021			
Employer	Employees	Rank	Percentage of Total Municipal Employment
INFORMATION IS NOT AVAILABLE	FOR THIS SCHO	OL DISTR	RICT
2012			
			Percentage of Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

KINGWOOD TOWNSHIP SCHOOL DISTRICT Full Time Equivalent District Employees by Function/Program Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Instruction										
Regular	30.2	28.7	27.2	26.2	26.2	26.2	26.2	25.2	26.2	26.2
Special education	8.0	8.0	9.5	10.5	10.0	10.0	10.0	9.0	10.0	10.0
Other instruction - aides	3.1	4.0	4.5	4.5	3.0	6.0	4.0	3.0	4.0	4.0
Support services										
Student and instruction										
related services	9.8	9.6	7.8	7.9	7.9	9.4	9.7	9.8	9.3	8.5
General administration	1.5	1.5	1.2	1.6	1.6	1.6	0.8	0.8	0.8	0.8
School administration services	1.9	1.9	1.8	1.5	1.5	1.7	1.4	1.1	0.7	0.7
Central services	2.3	2.4	2.4	2.1	3.1	2.1	2.1	2.1	2.1	1.5
Plant operations and										
maintenance	5.6	5.7	5.7	5.6	4.8	4.8	4.6	4.6	4.6	4.4
Pupil transportation	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	1.1
Total	62.7	62.2	60.5	60.4	58.6	62.2	59.3	56.1	58.2	57.2

Source: District Personnel Records

KINGWOOD TOWNSHIP SCHOOL DISTRICT Operating Statistics Last Ten Fiscal Years

		(Operating	Cost						Ave	erage Daily	Avera	ge Daily	% (Change in	St	udent
Fiscal	June 30	Ех	xpenditures	Per	Percentage	Т	eaching	Te	acher	E	nrollment	Atter	ndance	Ave	rage Daily	Atter	ndance
Year	Enrollment		(a)	 Pupil	Change	S	taff (b)]	Ratio	(A	ADE) (c)	(AD	A)(c)	En	rollment	Perc	entage
2012	396	\$	6,814,791	\$ 17,209	12.77%	,	46.4	1:	11.10		412.7		396.0		-3.64%		95.95%
2013	409		6,851,717	16,752	-2.66%	,	47.7	1:	10.93		408.7		391.2		-0.97%		95.72%
2014	370		6,667,997	18,022	7.58%		45.5	1:	11.76		367.9		353.5		-9.98%		96.09%
2015	365		6,796,854	18,622	3.33%		45.3	1:	11.76		360.3		344.9		-2.07%		95.73%
2016	364		7,105,975	19,522	4.83%		44.8	1:	12.31		342.2		328.2		-5.02%		95.91%
2017	344		7,112,317	20,675	5.91%		44.8	1	13.02		343.5		329.0		0.38%		95.78%
2018	336		7,400,283	22,025	6.53%		44.8	1:	13.33		335.7		322.4		-2.28%		96.04%
2019	331		7,422,388	22,424	1.81%		42.6	1:	12:88		330.6		316.2		-1.51%		95.64%
2020	356		7,486,598	21,030	-6.22%	,	44.8	1:	12:50		356.5		345.4		7.83%		96.89%
2021	342		7,881,014	23,044	9.58%		42.6	1:	12.45		342.0		329.4		-4.06%		96.31%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

KINGWOOD TOWNSHIP SCHOOL DISTRICT School Building Information Last Ten Fiscal Years

District Building	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary (1948) Square feet Capacity (students)	65,719 607.0									
Average daily enrollment	396.0	409.0	367.9	360.3	342.2	343.5	335.7	330.6	356.5	342.0

Number of schools at June 30, 2021:	
Elementary	1
Middle School	-
High School	-
Other	-

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of Required Maintenance Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	A	Amount
2012	\$	61,878
2013		62,723
2014		35,095
2015		31,968
2016		57,768
2017		182,472
2018		39,609
2019		52,220
2020		55,749
2021		59,172
Total school facilities	\$	638,654

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

Source: District Records

KINGWOOD TOWNSHIP SCHOOL DISTRICT Insurance Schedule June 30, 2021 (Unaudited)

	Coverage	Dee	ductible
School Commercial Package Policy - New Jersey School			
Insurance Group (NJSIG)			
Property - Building Blanket and Contents (Policy Limit)	\$ 500,000,000	\$	1,000
Comprehensive General Liability (Policy Limit)	16,000,000		-
Comprehensive Automobile Liability (Policy Limit)	16,000,000		1,000
School Board Legal Liability - New Jersey School			
Insurance Group (NJSIG)			
Directors and Officers Policy	16,000,000		5,000
Workmen's Compensation - New Jersey School			
Insurance Group (NJSIG)			
Per Accident, Disease and Disease Limit	2,000,000		-
Public Employees' Faithful Performance - New Jersey School			
Insurance Group (NJSIG)			
Blanket Position Bond	50,000		500
Treasurer of School Monies Bond	250,000		1,000
School Board Secretary Bond	250,000		1,000

Source: District Records

SINGLE AUDIT SECTION

K-1 1 of 2



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

Honorable President and Members of the Board of Education Kingwood Township School District Frenchtown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards issued* by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Kingwood Township School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Kingwood Township School District's internal 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 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 in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

BAC, CAAS, PC

BKC, CPAs, PC MM

Michael A. Holk, CPA, PSA NO. 20CS00265600

February 9, 2022 Flemington, New Jersey



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08-OMB

Honorable President and Members of the Board of Education Kingwood Township School District Frenchtown, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Kingwood Township School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2021. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB 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 District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

BHC, CHAS, PC BKC, CPAS, PC

BKC, CPAs, PC M M Michael A. Holk, CPA, PSA NO. 20CS00265600

February 9, 2022 Flemington, New Jersey

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of Expenditures of Federal Awards, Schedule A For the Fiscal Year Ended June 30, 2021

	Federal			Program	Gi	ant	Balance Jun	e 30, 2020				Repayment	Bala	nce June 30, 2	021
	CFDA	FAIN	Project	or Award	Pe	riod	(Acct Rec)	Carryover	Cash	Budgetary	Adjust-	of Prior Year	Accounts	Deferred	Due to
Grantor/Program Title	Number	Number	Number	Amount	From	То	Def Revenue	Amount	Received	Expenditure	ment	Balance	Receivable	Revenue	Grantor
U.S. Department of Education passed															
through State Department of Education															
Special Revenue Fund															
Special education cluster (IDEA)															
IDEA Basic	84.027A	H027A200100	IDEA-2450-21	\$ 78,523	07/01/20	06/30/21	\$ -	\$-	\$ 78,523	\$ 78,523	\$ -	s -	\$ -	\$ -	\$ -
IDEA Preschool	84.173A	H173A200114	IDEA-2450-21	3,689	07/01/20	06/30/21	-	-	3,689	3,689	-	-	-	-	-
Total special education cluster (IDEA)							-	-	82,212	82,212	-	-	-	-	-
Title I A	84.010A	S010A200030	ESSA-2450-21	24,414	07/01/20	06/30/21	-	-	7,290	24,414	-	-	(17,124)	-	<u> </u>
Title II A	84.367A	S367A200029	ESSA-2450-21	5,318	07/01/20	06/30/21	-	-	1,500	5,318	-	-	(3,818)	-	-
Title IV	84.424	S424A190031	ESSA-2450-20	10,000	07/01/19	06/30/20	(4,184)	-	4,184	-	-	-	-	-	-
Title IV	84.424	S424A200031	ESSA-2450-21	10,000	07/01/20	06/30/21	-	-	2,875	10,000	-	-	(7,125)	-	-
Small, Rural School Achievement Program	84.358	S358B200030	S358A193457	33,926	07/01/20	09/30/21	-	-	33,926	33,926	-	-	-	-	-
CARES Emergency Relief	84.425D	S425D200027	CARES-2450-22	19,523	03/13/20	09/30/22	-	-	19,523	19,523	-	-	-	-	-
Coronavirus Relief Fund	84.425	S425D200027	CARES-2450-21	13,095	07/01/20	06/30/21	-	-	13,095	13,095	-	-	-	-	-
CRRSA - ESSER II	84.425	S425D200027	CRRSA-2450-23	80,026	03/13/20	09/30/23	-	-	-	1,109	-	-	(1,109)	-	-
CRRSA - Learning Acceleration	84.425	S425D200027	CRRSA-2450-23	45,000	03/13/20	09/30/23	-	-	-	2,399	-	-	(2,399)	-	-
Total Special Revenue Fund							(4,184)		164,605	191,996	-	-	(31,575)		-
U.S. Department of Agriculture passed															
through State Department of Agriculture															
Enterprise Fund															
Child Nutrition Cluster															
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	201NJ304N1099	N/A	3,360	10/01/19	09/30/20	1,151	-	-	1,151	-	-	-	-	-
National School Lunch Program															
Non-Cash Assistance (Commodities)	10.555	211NJ304N1099	N/A	3,911	10/01/20	09/30/21	-	-	3,911	1,899	-	-	-	2,012	-
National School Lunch Program															
Cash Assistance	10.555	201NJ304N1099	N/A	21,733	10/01/19	09/30/20	(1,670)	-	1,670	-	-	-	-	-	-
National School Lunch Program															
Cash Assistance	10.555	211NJ304N1099	N/A	92,129	10/01/20	09/30/21	-	-	83,648	92,129	-	-	(8,481)	-	-
Total Enterprise Fund							(519)	-	89,229	95,179	-	-	(8,481)	2,012	
Total Federal Awards							\$ (4,703)	s -	\$ 253,834	\$ 287,175	s -	s -	\$ (40,056)	\$ 2,012	s -

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of Expenditures of State Financial Assistance, Schedule B For the Fiscal Year Ended June 30, 2021

		Program	Gi	rant	Balance June	e 30, 2020				Balar	nce June 30, 20	021	М	emo
	Project	or Award	Pe	riod	Deferred Rev.	Due to	Cash	Budgetary	Adjust-	Accounts	Deferred	Due to	Budgetary	Cumulative
Grantor/Program Title	Number	Amount	From	То	(Accts. Rec)	Grantor	Received	Expenditure	ments	Receivable	Revenue	Grantor	Receivable	Expenditure
State Department of Education													·	
General Fund														
Transportation Aid	21-495-034-5121-014	\$ 166,282	07/01/20	06/30/21	s -	\$-	\$ 150,081	\$ 166,282	s -	\$ -	\$ -	\$ -	\$ 16,201	\$ 166,282
Special Education Categorical Aid	21-495-034-5121-089	259,824	07/01/20	06/30/21	-	-	234,509	259,824	-	-	-	-	25,315	259,824
Equalization Aid	21-495-034-5121-078	441,447	07/01/20	06/30/21	-	-	398,436	441,447	-	-	-	-	43,011	441,447
Security Aid	21-495-034-5121-084	31,021	07/01/20	06/30/21	-	-	27,999	31,021	-	-	-	-	3,022	31,021
Adjustment Aid	21-495-034-5121-085	14,728	07/01/20	06/30/21	-	-	13,293	14,728	-	-	-	-	1,435	14,728
School Choice Aid	21-495-034-5121-068	170,408	07/01/20	06/30/21	-	-	153,805	170,408	-	-	-	-	16,603	170,408
Extraordinary Special Education Costs Aid	20-495-034-5121-044	87,087	07/01/19	06/30/20	(79,158)	-	87,087	7,929	-	-	-	-	-	87,087
Extraordinary Special Education Costs Aid	21-495-034-5121-044	196,993	07/01/20	06/30/21	-	-	-	196,993	-	(196,993)	-	-	-	196,993
Non-Public Transportation Aid	21-495-034-5121-014	1,450	07/01/20	06/30/21	-	-	-	1,450	-	(1,450)	-	-	-	1,450
Reimbursed TPAF Social Security														
Contribution	20-495-034-5094-003	208,853	07/01/19	06/30/20	(10,593)	-	10,593	-	-	-	-	-	-	208,853
Reimbursed TPAF Social Security														
Contribution	21-495-034-5094-003	216,192	07/01/20	06/30/21	-	-	216,192	216,192	-	-	-	-	-	216,192
On-Behalf TPAF Pension Contribution -														
Teacher's Pension & Annuity Fund	21-495-034-5094-002	761,260	07/01/20	06/30/21	-	-	761,260	761,260	-	-	-	-	-	761,260
On-Behalf TPAF Pension Contribution -														
Non-Contributory Insurance	21-495-034-5094-004	14,484	07/01/20	06/30/21	-	-	14,484	14,484	-	-	-	-	-	14,484
On-Behalf TPAF Pension Contribution -														
Long-Term Disability Insurance	21-495-034-5094-004	326	07/01/20	06/30/21	-	-	326	326	-	-	-	-	-	326
On-Behalf TPAF Pension Contribution -														
Postretirement Medical	21-495-034-5094-001	243,106	07/01/20	06/30/21	-	-	243,106	243,106	-	-	-	-	-	243,106
Total General Fund					(89,751)	-	2,311,171	2,525,450	-	(198,443)	-	-	105,587	2,813,461
State Department of Agriculture														
Enterprise Fund														
National School Lunch Program (St Share)	20-100-010-3350-023	1,037	07/01/19	06/30/20	(26)	-	26	-	-	-	-	-	-	1,037
National School Lunch Program (St Share)	21-100-010-3350-023	4,726	07/01/20	06/30/21	-	-	4,122	4,726	-	(604)	-	-	-	4,726
Total Enterprise Fund					(26)	-	4,148	4,726	-	(604)	-	-	· <u> </u>	5,763
*														
Total State Financial Assistance					\$ (89,777)	\$ -	\$ 2,315,319	2,530,176	s -	\$ (199,047)	s -	s -	\$ 105,587	\$ 2,819,224
Less: On-Behalf TPAF Pension System Contribu	ations													
On-Behalf TPAF Pension Contribution -														
Teacher's Pension & Annuity Fund	21-495-034-5094-002							761,260						
On-Behalf TPAF Pension Contribution -								,						
Non-Contributory Insurance	21-495-034-5094-004							14,484						
On-Behalf TPAF Pension Contribution -								, -						
Postretirement Medical	21-495-034-5094-001							243,106						
On-Behalf TPAF Pension Contribution -								- ,						
Long-Term Disability Insurance	21-495-034-5094-004							326						
Total for State Financial Assistance - Major Progra								\$ 1,511,000						
Total for State I manetal Assistance - Major Plogra	in Determination							,,						

See independent auditors' report.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended June 30, 2021

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Kingwood Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - <u>Relationship of financial statements</u>

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$9,961 for the general fund and \$2,075 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended June 30, 2021

Note 3 - <u>Relationship of financial statement (continued)</u>

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Federal	State	Total	
General fund	\$ -	\$ 2,535,411	\$ 2,535,411	
Special revenue fund	194,071	-	194,071	
Food service fund	95,179	4,726	99,905	
Total awards and financial assistance	\$ 289,250	\$ 2,540,137	\$ 2,829,387	

Note 4 - <u>Relationship to federal and state financial reports</u> Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5 - <u>Other</u>

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2021. TPAF Social Security Contribution 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, 2021.

Note 6 - <u>Indirect Costs</u>

The District has elected not to utilize the 10% de minimis indirect cost rate.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements				
Type of auditor's report issued	Unmodified			
Internal Control Over Financial Reportin 1. Were material weakness(es) identified	Yes	<u>X</u> No		
2. Were significant deficiencies identif	Yes	X None reported		
Noncompliance material to basic financial statements noted?	Yes	<u>X</u> No		
Federal Awards	Not Applicable			
Internal Control Over Major Programs: 1. Were material weakness(es) identified	Yes	No		
2. Were significant deficiencies identif	Yes	None reported		
What was the type of auditor's report iss major programs?	Unmodified			
Were any audit findings disclosed that a reported in accordance with 2 CFR 20	Yes	No		
Identification of Major Programs:				
CFDA Number(s)	FEIN Number(s)		ederal Program or Cluster	
Not Applicable	Not Applicable	Not Applicable		
What was the dollar threshold used to di A and Type B programs?	stinguish between Type			
Did the auditee qualify as a low-risk aud	Yes	No		

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2021

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

State Awards

What was the dollar threshold used to distinguish A and Type B programs?	between Type	\$750,000			
Did the auditee qualify as a low-risk auditee?		X Yes	No		
 Internal Control Over Major Programs: Were material weakness(es) identified? Were there significant deficiencies identified considered to be material weaknesses? 	Yes Yes	X No X None reported			
What was the type of auditor's report issued on c major programs?	Unmodifie	ed			
Were any audit findings disclosed that are require reported in accordance with NJ OMB Circular I applicable?		Yes	<u>X</u> No		
Identification of Major Programs:					
State Grant/Project Numbers	N	ame of State	Program		
	State Aid Pub	lic Cluster:			
21-495-034-5120-089	_Special Educa	tion Categor	ical Aid		
21-495-034-5120-078	_Equalization A	Aid			
21-495-034-5120-084	Security Aid				
21-495-034-5120-068	School Choice Aid				
21-495-034-5120-085	Adjustment Ai	Adjustment Aid			

KINGWOOD TOWNSHIP SCHOOL DISTRICT Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2021

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2021.

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

There were no findings or questioned costs for the year ended June 30, 2021.

KINGWOOD TOWNSHIP SCHOOL DISTRICT Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management For the Fiscal Year Ended June 30, 2021

Status of Prior Year Findings

There were no prior year findings or questioned costs.