

***NEW HANOVER TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021***

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of

NEW HANOVER TOWNSHIP BOARD OF EDUCATION

WRIGHTSTOWN, NEW JERSEY

For the Fiscal Year Ended June 30, 2021

Prepared by

***New Hanover Township Board of Education
Business Office***

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**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	11
Roster of Officials	12
Consultants and Advisors	13
FINANCIAL SECTION	
Independent Auditor's Report	14
Required Supplementary Information - Part I	
Management's Discussion and Analysis	17
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	30
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds:	
B-4 Statement of Net Position	34
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	37
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	38

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule – General Fund	78
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b	American Recovery and Reinvestment Act - Budget and Actual	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund	90

Notes to Required Supplementary Information - Part II

C-3	Budget-to-GAAP Reconciliation	92
-----	-------------------------------	----

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):

L-1	Schedule of District's Proportionate Share of Net Pension Liability - PERS	93
L-2	Schedule of District's Contributions - PERS	94
L-3	Schedule of District's Proportionate Share of Net Pension Liability - TPAF	95

M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions

M-1	Schedule of Changes in the Total OPEB Liability and related Ratios	96
-----	--	----

Other Supplementary Information

D. School Based Budget Schedules

D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	97
E-2	Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	99

F. Capital 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-2(a)	Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	N/A

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Schedule of Net Position	N/A
G-2	Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3	Combining Schedule of Cash Flows	N/A

Internal Service Fund:

G-4	Combining Schedule of Net Position	N/A
G-5	Combining Schedule of Revenues, Expense and Changes in Fund Net Position	N/A
G-6	Combining Schedule of Cash Flows	N/A

H. Fiduciary Fund:

H-1	Combining Statement of Fiduciary Net Position	100
H-2	Combining Statement of Changes in Fiduciary Net Position	N/A
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	101
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	102
H-5	Liquidation of Merged Non-Operating District, Schedule of Liquidation Period Receipts, Disbursements and Fund Balance	N/A

I. Long-Term Debt:

I-1	Schedule of Serial Bonds & Loans	N/A
I-2	Schedule of Obligations Under Capital Leases	103
I-3	Debt Service Fund Budgetary Comparison Schedule	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1	Net Assets by Component	104
J-2	Changes in Net Assets/Net Position	105
J-3	Fund Balances - Governmental Funds	107
J-4	Changes in Fund Balances - Governmental Funds	108
J-5	General Fund Other Local Revenue by Source	110

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property - New Hanover Township	111
J-6a	Assessed Value and Estimated Actual Value of Taxable Property - Wrightstown	112
J-7	Direct and Overlapping Property Tax Rates - New Hanover Township	113
J-7a	Direct and Overlapping Property Tax Rates - Wrightstown	114
J-8	Principal Property Tax Payers - New Hanover Township	115
J-8a	Principal Property Tax Payers - Wrightstown	116
J-9	Property Tax Levies and Collections	117

Debt Capacity

J-10	Ratios of Outstanding Debt by Type - Eatontown Borough	118
J-11	Ratios of General Bonded Debt Outstanding - Eatontown Borough	119
J-12	Direct and Overlapping Governmental Activities Debt	120
J-13	Legal Debt Margin Information	121

Demographic and Economic Information

J-14	Demographic and Economic Statistics - Eatontown Borough	122
J-15	Principal Employers - Eatontown Borough	123

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	124
J-17	Operating Statistics	125
J-18	School Building Information	126
J-19	Schedule of Required Maintenance Expenditures by School Facility	127
J-20	Insurance Schedule	128
J-21	Charter School Performance Framework, Financial Performance, Fiscal Ratios/Renaissance School Project Framework, Financial Performance, Fiscal Ratios	N/A

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	129
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	131
K-3	Schedule of Expenditures of Federal Awards, Schedule A	135
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	136
K-5	Notes to the Schedules of Awards and Financial Assistance	137
K-6	Schedule of Findings and Questioned Costs - Section I, 2 and 3	139
K-7	Summary Schedule of Prior Audit Findings	143

INTRODUCTORY SECTION

NEW HANOVER TOWNSHIP SCHOOL DISTRICT



(New Hanover Township Elementary School)

NEW HANOVER TOWNSHIP
BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NEW HANOVER TOWNSHIP SCHOOL DISTRICT

New Hanover Township * Wrightstown Borough

122 Fort Dix Street

Wrightstown NJ 08562

609-723-2139

www.newhanover.k12.nj.us

Dr. Scott Larkin, Superintendent

Mr. David Bramley, Director of Curriculum, and Instruction/CST Coordinator

February 14, 2022

Honorable President and
Members of the Board of Education
New Hanover Township School District
County of Burlington
Wrightstown, New Jersey 08562

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the New Hanover Township School District (District) for the fiscal year ended June 30, 2021 is hereby submitted in accordance with Governmental Accounting Standards Board Statement 34 and 44. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the New Hanover Township School Board of Education (Board.). To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officials, and a list of consultants and advisors.
- The Financial Section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

- The Single Audit Section which states that the District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the state Treasury Circular Letter 04-04 OMB, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

SCHOOL DISTRICT ORGANIZATION

The New Hanover Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 and Statement 34. All funds and account groups of the District as included in this report. The New Hanover Township School Board of Education constitutes the District’s reporting entity. It is located next door to Fort Dix and near McGuire Air Force Base.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for handicapped students. The District completed the 2020-2021 fiscal year with an average daily enrollment of 168.2 students. Enrollment is defined as students on-roll and students placed out of District. Established in 1939, the District’s school facilities consist of one building, encompassing over 35,582 square feet over one floor, with one gym, and a full-service cafeteria, along with various classrooms.

The District, consisting of the Borough of Wrightstown and the Township of New Hanover, is classified as a consolidated school district. This is different than being classified as a regional school district. While the tax levy percentage to each municipality is set by the County Tax Assessor based on respective equalized value calculations, the District’s Board of Education composition does not require a certain number of representatives from each municipality. Both municipalities vote for common board members.

The district receives students from the Borough of Wrightstown and the Township of New Hanover. Except for students who have special needs requiring outside services, students attend the school in-district through the 8th grade. High School students (grade 9 to 12) attend Bordentown Regional High School via a long-standing send-received relationship, or they can choose to attend the County Vocational School District. More recently with enactment of the “School Choice” law, students can also choose to attend a choice school in nearby towns.

The Board of Education is comprised of seven members. In general, the Board of Education meets on the third Thursday of the month for regular board meetings, with two meetings per month in February, March, May, August and September, and one meeting per month for other months. When there are two meetings a month, the first meeting is

for discussion of agenda items with normally minimal voting actions taken. The second meeting (“action meeting”) of the month would be when the board votes on the goals and priorities and conducts the business of the Board of Education. All Board meetings are open to the public and begin at 7 p.m. in the school library, unless a time change is needed which is then properly advertised. Also, of note, the Board’s committee format changed in 2013, from individual committees to “a committee of the whole” structure.

The New Hanover Township PTO is very active in the District and provides community support for a variety of programs and activities for the students. Many fundraisers are held throughout the year, with advertising on the District’s website, which helps support many aspects of the school. It is a wonderful community organization who has the students first and foremost.

The current District website of www.newhanover.k12.nj.us is an extensive website that both staff and parents can utilize to find out anything they need to know about the District. Parents can e-mail teachers at any time. Additionally, all staff members have telephone extensions to communicate with parents if that is an easier way to reach them. The district has also purchased subscription to an “instant alert” program which enables further communication to parents/guardians about events at the school.

EDUCATIONAL PROGRAM/REPORTING ENTITY AND ITS SERVICES

As stated earlier, the District completed the 2019-2020 fiscal year with an average daily enrollment of 175.31 students. Enrollment is defined as students on-roll and students placed out of District. The following details the changes in the student enrollment of the District over the past years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2020-2021	168.2	-4.0
2019-2020	175.31	-6.17
2018-2019	186.84	-.95
2017-2018	187.92	.009
2015-2016	186.76	.57
2014-2015	185.71	-1.47
2013-2014	188.49	.05
2012-2013	188.40	4.46
2011-2012	180	----
2010-2011	181	11
2009-2010	163	.25
2008-2009	161	10

As mentioned, the District provides a full range of educational services appropriate to grade levels Pre-K through 8. The school follows the District-wide goals and educational approaches to the teaching of children, while maintaining a unique personality that make up that school. All curricula in our District are continually under review for update to meet

evolving changes to the New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Content Standards).

Elementary School: Currently the Administrative Team makeup of the district consists of a Superintendent; a Director of Curriculum & Instruction, established in July 2014 to focus on student achievement. In July 2018, the district ended the contracted Child Study Team Services with North Hanover, with the Director of Curriculum and Instruction undertaking the Director of Child Study Team role. The district retains services of School Business Administrator/Board Secretary on a part time basis. There is also a fulltime nurse. New programs, such as an afterschool extra help program, and homework club focus on assisting students in their educational studies. Taken together, these new positions have helped the district raise their QSAC (Quality Single Accountability Continuum) scores

The school is unique in the sense that while it is small, it offers many after school activities and sports programs for all students to participate in. Every winter there is the traditional Holiday Music Concert, and in the spring there is a musical play. Clubs such as Safety Patrol, Yearbook, Student Council, and Junior Beta allow all students to participate in a school activity. The following sports are available for all students- cheerleading, soccer, basketball (both boys and girls). During the school year there are many activities for the students to become involved in.

In the 2020-2021 school year the district continued its full day Pre-K program. Increased Title 1 funds have also allowed for an afterschool and summer program for at risk students. The district provides theatre camp enrichment program. This program is very successful and plans are in place for future programs during the summer. Together, all programs have allowed the district's test scores to increase. The county office has been very pleased with the hard work that has been invested in the educational program at New Hanover Township School District.

Pandemic Impact: As was the case with other New Jersey school districts, New Hanover School District was impacted by COVID-19, whose effects became most fully realized state-wide during the winter of 2020. Impacts on the district included switching from in-district to remote learning for all students, as mandated by government officials, and developing enhanced protocols and resources to address protective safety and instructional needs for all students and staff. Due to the above stated timing of the COVID-19 in New Jersey, its overall financial impact was not severe for this school year, but it did require the district to reprioritize spending in unanticipated ways and will modify expected future priorities.

New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Contents Standards)

New Hanover Township School offers a comprehensive educational program that was developed to meet the needs of all students, whether they are in the need of advanced placement courses, remedial instruction, or something in between. Our instruction and support materials are in line with the New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Contents Standards). District curricula are under review in order to meet the changes of Common Core Standards and recently imposed changes by the NJ Department of Education. New curriculum was written over the summers of 2014, 2015, 2016, 2017, and 2018 along with purchasing of new textbooks to be aligned to the newly written curriculum.

Staff Development

The New Hanover Township School District provides its teaching staff with many opportunities for professional development.

New teachers have an additional day dedicated to new teacher training. A teacher's manual is given to all new teachers as well as an assigned mentor to provide support throughout the school year.

In the beginning of the year, one full day is dedicated to staff development. The teachers meet in the morning for sessions, have lunch, and then in the afternoon have breakout sessions regarding the training.

During the year there are different days dedicated to staff development. The topics can range from bullying, character education, technology diversification and assessment. The teachers spend the morning in workshops, have lunch and then in the afternoon have breakout sessions to work on their assessments. Faculty members are also afforded, upon board approval, professional development outside of the District.

The new regulations for teacher evaluation, which New Hanover Township School District implemented successfully PARCC (Partnership for Assessment of Readiness for College and Careers) testing.

In 2014-2015 the district implemented Achieve 3000- a self-guided reading assessment program for grades 5-8. This program was so successful in integrating reading and tying into PARCC testing that it has been expanded to start at grade 3.

In 2019-20 the district institute Responsive Classroom, an evidence-based approach to education that focuses on the strong relationship between academic success and social-emotional learning (SEL). This has been very successful in the district. Additionally, the district is currently working on being named a National School of Character. This multi-year project completed the second step in 2018-2019 towards reaching their goal.

The district continues to stay in compliance with reporting of HIB instances. The Administration works diligently to make all students, board members, and staff aware of such compliance.

Technology:

The District's technology plan was approved and the District is moving forward with Technology. They currently do not have a full time Technology Supervisor, but are very fortunate to have a staff member whose responsibilities include overseeing technology in the District. The district does employ an outside technology consulting company who assists the district with purchasing, support, and maintenance of the information technology within the district. Recently the time allotted was increased for the outside consultant due to increased purchases in technology.

The district budgets funds each year to enhance and upgrade their technology in the district. Additionally, the PTO has been very supportive in purchasing technology for the district.

Business Office

The business office is comprised of a School Business Administrator working with two Administrative Assistants. This office is responsible for the daily running of the district's business and financial operations. Increased workload due to challenges faced from State and Federal mandates, while maintaining current staff levels, continues to be a challenge. The office is continually looking to improve costs efficiencies on behalf of the District.

MAJOR INITIATIVES

Adding onto the summer 2011 multi-million dollar renovation project, in summer 2012 the district renovated all parking lots in the district. The front parking lot, formerly in a U shape with a grass field was renovated to include additional parking spaces, ADA compliance, and a better drainage system. The back parking lot was reconfigured to allow for safer student pick up and drop off. New drainage systems were installed to address some water issues due to the grading of the land. This project has been a success. In summer 2014 the district applied for and received funding for a ROD IV grant. These projects were completed during summer 2015. The main projects were a new front door security vestibule and air conditioning of the gymnasium. There are some minor projects planned, whose fulfillment will be determined based on future circumstances.

The district is currently working on continued projects to steer them into the future of the 79-year-old school district –

- Addressing Choice Schools which are now competing for New Hanover students (and the state aid that goes with each student)
- Balancing the school budget with restrictions in place from the state of NJ.
- Preparing all students for a successful high school education.

- Working on an efficient use of space in the district
- Seeking increased efficiencies in transportation
- Developing a vehicle to gather and analyze multiple student data points
- Enhancing the District's technology infrastructure

ECONOMIC CONDITION AND OUTLOOK

New housing projects in Wrightstown and New Hanover Township will impact district student population moving forward. In Wrightstown, a new development can stabilize the local economy by increasing taxable entities. Joint Base McGuire-Dix-Lakehurst brings consumers to local businesses and helps to drive up community economies. The military base has a direct financial connection to the district in the form of 7002/7003 Impact Aid. The district receives monies from the Federal Government for Impact Aid due to the acreage of the base purchased from the municipalities and the number of military-connected students..

In New Hanover Township, smaller building projects were recently completed. In 2013 the Board of Education approved a demographic study to see where the population is currently at and where it is estimated to be in the next few years. The outcome of the demographic study was a predicted increase of 45 students over the next 5 years. The district discussed the results of the study at a board meeting in spring 2014 and continued to discuss enrollment in September 2015. Enrollment has leveled off and for now, there are no major plans for expansion of the school.

The most significant variable influencing District finances will be the lasting effects of the COVID-19 pandemic including potential decreased tax collections, long-term economic difficulties, and increased population mobility. Such uncertainty creates an environment in which District officials will be challenged to appropriately make fiscal decisions.

INTERNAL CONTROLS

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

As a recipient of state and federal awards, the District is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws,

regulations, contracts and grants related to those programs. This internal control system 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 adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance at fiscal year-end. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

ACCOUNTING SYSTEM AND REPORTS

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

DEBT ADMINISTRATION

As of June 30, 2021, the District has no debt.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision 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 institute in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

RISK MANAGEMENT

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

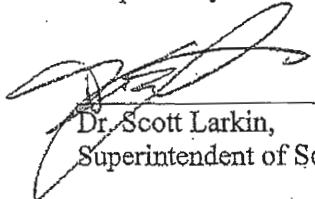
INDEPENDENT AUDIT

State statutes require an annual audit by an independent certified public accountants or registered municipal accountants. The firm of Cannone and Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1984, as amended and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements, combining, individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the New Hanover Township School Board for their fiscal stewardship on behalf of the citizens and taxpayers of the school district as well as to our financial and other staff for their support and dedicated services without whom we would not be able to serve the students entrusted to us by our communities.

Respectfully submitted,

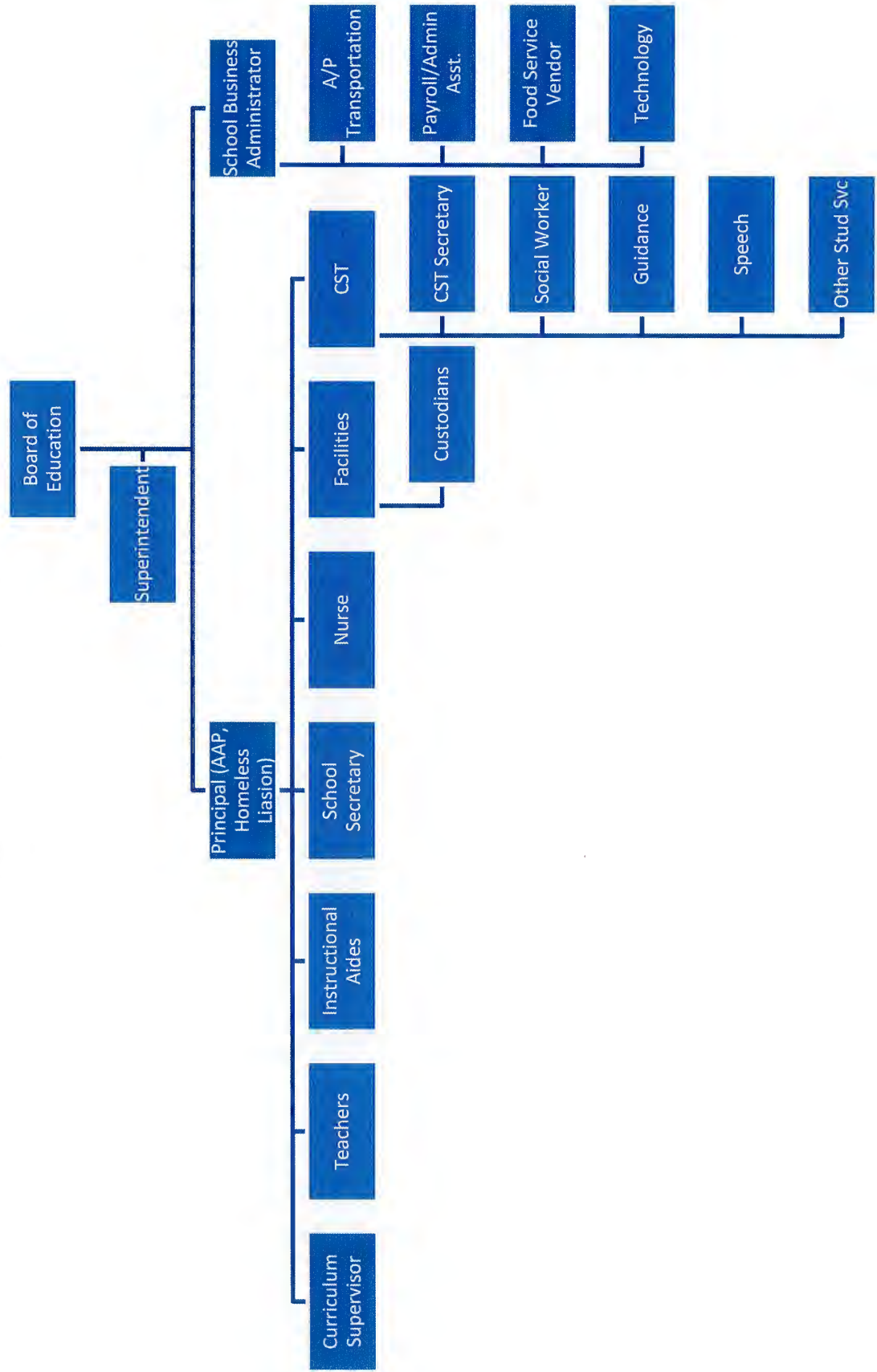


Dr. Scott Larkin,
Superintendent of Schools



Mr. Bernard Biesiada,
School Business Administrator/
Secretary to the Board [Effective 04/01/2021]

New Hanover Township School District Organizational Chart



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charles Roohr, President	2023
Carli Haas, Vice President	2021
Christel Beck	2021
William Castner	2023
Christina Ford	2022
Rick Martin	2022
Nicholas Pawlyzyn Jr.	2022

Other Officials

Dr. Scott Larkin, Superintendent

Bernard Biesiada, School Business Administrator/Board Secretary

Schoolwide Solutions, Reconciling Agent

Kenny, Gross, Kovats & Parton, Solicitor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
WRIGHTSTOWN, NEW JERSEY**

**CONSULTANTS AND ADVISORS
June 30, 2021**

Audit Firm

Cannone & Company, P.A.
485 Morris Avenue
Springfield, NJ 07081

Attorneys

Kenny, Gross, Kovats & Parton
Michael J. Gross
130 Maple Avenue, Building 8
Red Bank, NJ 07701

Official Depositories

TD Bank

BB & T

FINANCIAL SECTION

CANNONE AND COMPANY, P.A.
Certified Public Accountants
485 Morris Avenue
Springfield, New Jersey 07081
(973) 379-6868
FAX (973) 379-6278

MEMBER:
American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
New Hanover Township School District
County of Burlington
Wrightstown, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the New Hanover Township School District Board of Education, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the New Hanover Township School District Board of Education, in the County of Burlington, State of New Jersey, 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.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 17 through 26 and 78 through 92 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.

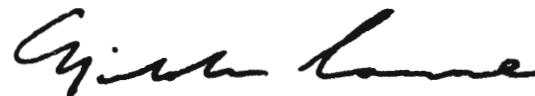
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Hanover Township School District Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022 on our consideration of New Hanover Township School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the New Hanover Township School District Board of Education's internal control over financial reporting and compliance.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, PA
Certified Public Accountants
Springfield, New Jersey

February 15, 2022

***REQUIRED SUPPLEMENTARY INFORMATION
PART I***

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

This Management's Discussion and Analysis (MD&A) section of New Hanover Township School District's (District) annual financial report for the year ended June 30, 2021 is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 (*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*) issued in June 1999. Its intent is to (1) explain the various components annual financial statements and (2) provide highlights of the District's financial performance during the above stated fiscal year. Please read it in conjunction with the Transmittal Letter at the beginning of this report and with the District's financial statements and accompanying notes, which immediately follow this section.

FINANCIAL HIGHLIGHTS

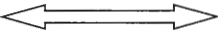
- **Pandemic Impact:** As previously mentioned in the Letter of Transmittal, the District was impacted by COVI-19 this school year. However, possibly due to its in reaching New Jersey, the overall financial impact on the District was not severe for this school year but did require reprioritizing educational delivery and spending in unanticipated ways.
- On a district-wide basis [Tables A-1; A-2]:
 - Per Table A-1, net assets of the District exceeded its liabilities by \$7,093,803 versus \$7,341,868 for 2020.
 - Governmental activities in Table A-1 show a deficit in unrestricted net position of \$311,914 versus a deficit of \$1,441,551 for the prior year primarily is attributable to required accounting treatments in the governmental funds for compensated absences payable, pension liability, delayed June state aid payments, and State statutes prohibiting school districts from maintaining more than 2% of their adopted budget as unrestricted fund balance and is not a reflection of financial difficulties.
 - The decline in Table A-2 of \$248,140 in net position is an improvement of \$50,950 over the decline \$299,090 shown for the prior year and is primarily attributable to Governmental Activities.
 - Business-type activities, which represents the ongoing food service operations, show an unrestricted net position of \$29,188 for 2021, a slight improvement over the \$21630 reported for 2020.
- On a fund accounting basis [Exhibit B-2]
 - The fund balance of the District's governmental funds in Exhibit B-2 decreased by \$219,761, resulting in an ending balance of \$2,622,813, largely from results of operations in the General Fund.
- On a budgetary comparison basis [Exhibit C-1]

After adjusting for "on-behalf payments"¹ of \$736,981, the District's General Fund reported a net \$343,526 favorable variance of actual revenues and expenditures versus the respective amount anticipated and budgeted for the year. This was primarily driven by a net unfavorable expenditure variance (expenses more than budgeted) of \$519,698 with net revenues contributing a favorable net variance of \$783,289.

¹ On-behalf payments represent reimbursements from New Jersey State for pension, FICA, and related benefit costs incurred by the District; the District records both the reimbursements and the offsetting costs in its financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The charts below illustrate the relationships of the District's various reports, consisting of a series of financial statements and notes to those statements organized for a reader to better understand New Hanover Township School District as an entire operating entity, followed by an increasingly detailed look at specific financial activity.

<i>Management's Discussion And Analysis</i>	Basic Financial Statements	Required Supplementary Information
District–Wide Financial Statements	Fund Financial Statements	<i>Notes to the Financial Statements</i>
Summary		Detail

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

- **District-Wide Financial Statements (Statement of Net Assets and Statement of Activities)**

The first two statements are district-wide financial statements that provide both short-term and long-term information about the New Hanover Township's overall financial status.

- **Fund Financial Statements**

- The remaining statements are fund financial statements that focus on individual parts of New Hanover Township, reporting New Hanover Township's operations in more detail than the district-wide statements.

- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.

- Proprietary funds statements offer short and long-term financial information about the activities New Hanover Township operates like businesses, such as food services.

- Fiduciary funds statements provide information about the financial relationships in which New Hanover Township School acts solely as a trustee or agent for the benefit of others.

- The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of New Hanover Township School Board of Education's budget for the year.

**Figure A-1
Major Features of District-Wide and Fund Financial Statements**

	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District Except Fiduciary funds	The activities of the district that are not proprietary or fiduciary such as special revenue and building maintenance	Activities the district operates like private businesses – Food Services	Instances in which the district administers resources on behalf of someone else such as scholarship programs and student activities monies.
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus	Accrual Accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information.	All revenues and expenses during the year regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

Figure A-1 summarizes the major features of New Hanover Township School’s financial statements, including the portion of New Hanover Township’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, New Hanover Township School, presenting both an aggregate view of New Hanover Township’s finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental fund, these statements tell how services were financed in the short-term as well as

what remains for future spending. In the case of New Hanover Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole: Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by New Hanover Township to provide programs and activities, the view of New Hanover Township School, looks at all financial transactions and asks the question, “How did we do financially during 2020-21?” The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting like the accounting used by most private-sector businesses. These bases of accounting consider all the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the District’s net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of New Hanover Township School has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the Percent of Share property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, New Hanover Township School is divided into two district kinds of activities:

- **Governmental Activities** – All of New Hanover Township School’s programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** – This service is provided on a charge for goods or services basis to recover expenses of the goods or services provided. The Food Service enterprise fund is reported here.

Reporting New Hanover Township School’s Most Significant Funds: Fund Financial Statements

Fund financial reports provide detailed information about New Hanover Township School’s funds. The District uses many funds to account for a multitude of financial transactions. New Hanover Township School’s governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

- **Governmental Funds**

The District’s activities are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. .

District’s general government operations and the basic services it provides. Governmental fund information helps the reader 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

- **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

As previously mentioned, the Statement of Net Assets provides the perspective of New Hanover Township School as a whole. Net assets may serve over time as a useful indicator of a government's financial position. New Hanover Township's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of New Hanover Township School's net assets for 2021 with comparative amounts for 2020.

Table A-1
Summary of Net Assets

	Governmental Type		Business Type		School District		% Change 2020-2021
	Activities		Activities		Totals		
	2020	2021	2020	2021	2020	2021	
Current and other assets	\$ 2,851,851	\$ 2,622,888	\$ 13,085	\$ 13,085	\$ 2,864,936	\$ 2,635,973	-8.0%
Capital Assets – Net	5,585,394	5,449,079	8,545	7,464	5,593,939	5,456,543	-2.5%
Deferred Outflows	96,523	54,371			96,523	54,371	-43.7%
Total Assets and Deferred Outflows	\$ 8,533,768	\$ 8,126,338	\$ 21,630	\$ 20,549	\$ 8,555,398	\$ 8,146,887	-4.8%
Long-term debt outstanding	143,875	103,207		1,429	143,875	104,636	-27.3%
Other liabilities	1,069,655	958,516			1,069,655	958,516	-10.4%
Deferred Inflows					-	-	
Total liabilities	\$ 1,213,530	\$ 1,061,723	\$ -	\$ 1,429	\$ 1,213,530	\$ 1,063,152	-12.4%
NET POSITION							
Net Investment in Capital Assets	5,563,566	5,432,745	8,545	7,464	5,572,111	5,440,209	-2.4%
Restricted	3,211,308	1,943,784			3,211,308	1,943,784	-39.5%
Unrestricted	(1,454,636)	(311,914)	13,085	21,724	(1,441,551)	(290,190)	-79.9%
Total net position	\$ 7,320,238	\$ 7,064,615	\$ 21,630	\$ 29,188	\$ 7,341,868	\$ 7,093,803	-3.4%

Overall, total, net assets decreased by \$248,065 for 2021, an improvement of 53,025 over the decrease of \$299,090 for 2020, with total assets and deferred outflows decreasing \$408,511, total liabilities decreasing \$150,378. Key changes were in current and other assets, principally cash and restricted reserves (declined \$228,963); capital assets (declined \$137,396); deferred outflows related to the District's allocable share of pension and other retirement benefit costs as a participant in these programs (declined \$42,142); and total liabilities (declined \$150,378).

Table 2 shows changes in net assets for fiscal year 2021 with comparative amounts for 2020.

**Table A-2
Summary of Changes in Net Assets**

	Governmental		Business-Type		School District		%
	Activities		Activities		Totals		Change
	2020	2021	2020	2021	2020	2021	2020-2021
REVENUES:							
Program revenues:							
Charges for services	\$ -	\$ 736	\$ 35,966	\$ 16,125	\$ 35,966	\$ 16,861	-53.12%
Federal, State and Local Cat. Grants	202,969	300,336	56,766	95,168	259,735	395,504	52.27%
General revenues:					-	-	
Property taxes	1,756,600	1,792,752			1,756,600	1,792,752	2.06%
Federal or State Aid	2,159,793	2,956,417			2,159,793	2,956,417	36.88%
Tuition	-				-	-	
Other	(555)	111,769			(555)	111,769	20238.56%
Total Revenues	\$ 4,118,807	\$ 5,162,010	\$ 92,732	\$ 111,293	\$ 4,211,539	\$ 5,273,303	25.21%
EXPENSES							
Instruction Related	1,826,274	1,956,924			1,826,274	1,956,924	7.15%
Tuition	851,167	1,011,190			851,167	1,011,190	18.80%
Student & Inst. Related Svcs	584,922	579,382			584,922	579,382	-0.95%
Administrative Services	231,311	278,591			231,311	278,591	20.44%
Maintenance	373,151	414,264			373,151	414,264	11.02%
Transportation	374,721	366,175			374,721	366,175	-2.28%
Benefits	165,031	1,508,163		(736,981)	165,031	771,182	367.30%
Other	-	20,000	104,052	123,735	104,052	143,735	38.14%
Total expenses	\$ 4,406,577	\$ 6,134,689	\$ 104,052	\$ (613,246)	\$ 4,510,629	\$ 5,521,443	22.41%
Incr (decr) in net position	\$ (287,770)	\$ (972,679)	\$ (11,320)	\$ 724,539	\$ (299,090)	\$ (248,140)	

While revenues increased \$1,061,764 and expenses increased \$1,010,814 for the year, with the larger revenues provided for the \$50,950 improvement in net position, from negative \$299,090 to negative \$248,140.

Governmental Activities: For both years, revenues essentially consist of property taxes and other Federal, state; and local grants. The major revenue declines were in grants; while the major expense decline was in instructional related costs (activities directly dealing with the teaching of pupils and the interaction thereof).

Business-Type Activities: New Hanover Township's business-type activities consists of its food service program, comprised of charges for services, supplemented by federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, as well as donated commodities. Both years show costs exceeding revenues, with 2021 revenues being noticeably impacted by addressing the current COVID-19 pandemic.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3
Cost of Services vs Net Cost of Services

	Total Cost of Services		% Change	Net Cost of Services		% Change
	<u>2020</u>	<u>2021</u>	<u>2020-2021</u>	<u>2020</u>	<u>2021</u>	<u>2020-2021</u>
Instruction Related	\$ 1,826,274	\$ 1,956,924	\$ 0	\$ 1,641,264	\$ 1,687,993	2.85%
Tuition	851,167	1,011,190	18.80%	833,208	1,011,190	21.36%
Stud. & Instr. Rel. Svs	584,922	579,382	-0.95%	584,922	547,241	-6.44%
Administrative Services	231,311	278,591	20.44%	231,311	278,591	20.44%
Maintenance	373,151	414,264	11.02%	373,151	414,264	11.02%
Transportation	374,721	366,175	-2.28%	374,721	366,175	-2.28%
Benefits	165,031	1,508,163	813.87%	165,031	801,182	385.47%
Other	-	20,000			20,000	
Total	\$ 4,406,577	\$ 6,134,689		\$ 4,203,608	\$ 5,126,636	

As shown in the table above, both total cost of services and net cost of services declined.

GENERAL FUND BUDGETING HIGHLIGHTS

All governmental funds (i.e.: general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) incorporate budgets that are prepared according to New Jersey and/or Federal statutory guidelines and record transactions using the modified accrual basis of accounting. The District's most significant fund is its General Fund which is used to account for all resource inflows and outflows used to conduct the core operations of the District and that are not otherwise designated for any other special purposes. Table A-4 below, abstracted from Exhibit C-1, provides a summary of the General Fund's budget versus actual for fiscal years 2020 and 2021.

Table A-4
Summary of General Fund

	Fiscal Year 6/30/2020			Fiscal Year 6/30/2021		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues-Local Sources	\$ 1,794,636	\$ 1,775,997	\$ (18,639)	\$ 1,831,826	\$ 1,855,889	\$ 24,063
Revenues-State Sources	2,363,427	2,369,521	6,094	2,250,594	2,992,155	741,561
Revenues-Federal Sources	650,000	690,733	40,733	650,000	667,665	17,665
Total Revenues	\$ 4,808,063	\$ 4,836,251	\$ 28,188	\$ 4,732,420	\$ 5,515,709	\$ 783,289
			-			-
Expenditures-Programs & Instruction	\$ 1,677,989	\$ 1,640,385	\$ 37,604	\$ 1,710,801	\$ 1,698,456	\$ 12,345
Expenditures-Support & Admin	3,682,137	3,300,126	382,011	3,528,379	3,421,284	107,095
	5,360,126	5,579,697	419,615	5,239,180	5,758,926	119,440
Expenditures-Capital Outlay	11,628	11,580	48	11,580	11,580	-
Capital Leases (non-budgeted)		-	-		-	-
Total Expenditures	\$ 5,371,754	\$ 5,591,277	\$ 419,663	\$ 5,250,760	\$ 5,770,506	\$ 119,440
	(563,691)	(755,026)	447,851	(518,340)	(254,797)	902,729
Other Financing Sources (Uses)	159,266	-	159,266	-	-	-
Excess (Deficiency)	\$ (404,425)	\$ (755,026)	\$ 607,117	\$ (518,340)	\$ (254,797)	\$ 902,729

Actual results were more favorable to budget; with favorable variances of \$607,117 for 2020 and \$902,729 for 2021. Each years' results were primarily driven by net favorable revenue variances (meaning actual revenues were more than budgeted).

As shown in Exhibit C-1, the ending fund balance of the General Fund was \$2,816,968 at June 30, 2020, versus \$3,071,765 at June 30, 2020.

Capital Assets

Table A-5 shows comparative information on the District's capital assets, which primarily consist of its land, building, and machinery, for 2020 and 2021.

Table A-5
Summary of Capital Assets
(Net of Depreciation)

	Governmental		Business Type		Total		% Change 2020-2021
	Activities		Activities		School District		
	2020	2021	2020	2021	2020	2021	
Land	\$ 90,000	\$ 90,000			\$ 90,000	\$ 90,000	0.00%
Construction in Progress	-	-	-	-	-	-	-
Site Improvements	145,000	145,000			145,000	145,000	0.00%
Buildings	9,621,148	9,621,148			9,621,148	9,621,148	0.00%
Machinery & Equipment	328,641	352,652	44,844	44,844	373,485	397,496	6.43%
Gross	10,184,789	10,208,800	44,844	44,844	10,229,633	10,253,644	0.23%
Less: Accumulated Depreciation	(4,580,294)	(4,759,721)	(36,539)	(37,380)	(4,616,833)	(4,797,101)	3.90%
Net Capital Assets	\$ 5,604,495	\$ 5,449,079	\$ 8,305	\$ 7,464	\$ 5,612,800	\$ 5,456,543	-2.78%

The decrease is primarily related to depreciation charges of \$180,268, representing an estimate of the assets' annual costs consumed for the fiscal year.

Debt Administration

Table A-6 shows comparative information on the District's long-term obligations.

Table A-6
Outstanding Long-Term Debt

	Total School District		Total % Change 2020-2021
	2020	2021	
General Obligation Bonds			
Capital Leases	21,828	16,650	-23.72%
Deferred PERS Pension Payment	3,661	1,492	-59.25%
Compensated Absences	115,214	90,504	-21.45%
Net Pension Liability			
Total	\$ 140,703	\$ 108,646	-22.78%

The District has no outstanding long term bond obligations in either year. Its major debt, Compensated Absences, is the anticipated cost of unused sick and /or vacation benefits that would be paid in a scenario of all staff retiring and/or terminating at the end of the District's fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of no existing outstanding litigations or other circumstances that could significantly affect the District's financial health in the future. However, existing and/or proposed State and/or Federal legislation(s) are always a concern for their potential impact on New Jersey school districts' budgets in the face of continued increasing cost challenges. Illustrations of such challenges include limitations on school districts' undesignated surplus levels and their general fund tax levy growth, both benchmarked to 2%, along with recent change in New Jersey State's approach for distributing aid to school districts going forward. With respect to the latter, the Districts anticipates seeing lower State aid for the foreseeable future. In addition to these concerns, no one can be certain of the long effects of the COVID-19 pandemic. Together, these factors create an environment in which District officials will be challenged to appropriately make educational and fiscal decisions.

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 New Hanover Township School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Office at New Hanover Township School, 122 Fort Dix Street, Wrightstown NJ 08562; (609) 723-2139; or visit the District website at www.newhanover.k12.nj.us

Concluded

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets 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.

New Hanover Township Board of Education
Statement of Net Position
6/30/2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 631,595	\$ 9,149	\$ 640,744
Investments	-	10,722	10,722
Receivables, governmental entities	47,914		47,914
Other receivables (net)		-	-
Inventory		3,282	3,282
Restricted assets:			-
Cash and cash equivalents	1,246,834		1,246,834
Capital reserve account - cash	696,545		696,545
Capital assets, net (Note 4):	5,449,079	7,464	5,456,543
Deferred outflows of resources related to pensions	54,371		54,371
Total Assets	<u>8,126,338</u>	<u>30,617</u>	<u>8,156,955</u>
LIABILITIES			
Cash Overdraft			-
Accounts payable			-
Accrued Interest Expense			-
Payable to federal government			-
Deferred income		1,429	1,429
Deferred inflows of resources related to pensions	392,113		392,113
Pension liability for PERS - non current	559,962		559,962
Noncurrent liabilities (Note 5):			
Due within one year	6,441		6,441
Due beyond one year	103,207		103,207
Total liabilities	<u>1,061,723</u>	<u>1,429</u>	<u>1,063,152</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,432,745	7,464	5,440,209
Restricted for:			
Debt service			-
Unemployment Compensation			
Workers' Compensation			
Scholarships			
Student Activities	405		405
Capital projects	696,545		696,545
Other purposes	1,246,834		1,246,834
Unrestricted	(311,914)	21,724	(290,190)
Total net assets	<u>\$ 7,064,615</u>	<u>\$ 29,188</u>	<u>\$ 7,093,803</u>

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

New Hanover Township Board of Education
 Statement of Activities
 For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 1,680,046		\$ 268,931		\$ (1,411,115)		\$ (1,411,115)
Special education	183,108				(183,108)		(183,108)
Other special instruction	93,770				(93,770)		(93,770)
Vocational					-		-
Other instruction					-		-
Nonpublic school programs					-		-
Adult/continuing education programs					-		-
Support services:							
Tuition	1,011,190				(1,011,190)		(1,011,190)
Student and instruction related services	579,382	736 *	31,405 *		(547,241)		(547,241)
Other Administrative Services					-		-
Student & instruction related services					-		-
School administrative services	77,031				(77,031)		(77,031)
General and business administrative services	110,719				(110,719)		(110,719)
Central Services	90,841				(90,841)		(90,841)
Plant operations and maintenance	414,264				(414,264)		(414,264)
Pupil transportation	366,175				(366,175)		(366,175)
Personal Services - Employee Benefits	**	**			-		-
Business and other support services					-		-
Compensated absences	(24,950)				24,950		24,950
Pension plan expense	(69,323)				69,323		69,323
Special schools					-		-
Food service	20,000				(20,000)		(20,000)
Debt service					-		-
Unallocated benefits	1,423,009		736,981		(686,028)		(686,028)
Unallocated depreciation	179,427				(179,427)		(179,427)
Total governmental activities	<u>6,134,689</u>	<u>736</u>	<u>1,037,317</u>	<u>-</u>	<u>(5,096,636)</u>	<u>-</u>	<u>(5,096,636)</u>
Business-type activities:							
Food Service	123,735	16,125	95,168			(12,442)	(12,442)
Total business-type activities	<u>123,735</u>	<u>16,125</u>	<u>95,168</u>	<u>-</u>	<u>-</u>	<u>(12,442)</u>	<u>(12,442)</u>
Total primary government	<u>\$ 6,258,424</u>	<u>\$ 16,861</u>	<u>\$ 1,132,485</u>	<u>\$ -</u>	<u>\$ (5,096,636)</u>	<u>\$ (12,442)</u>	<u>\$ (5,109,078)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					1,792,752		\$ 1,792,752
Taxes levied for debt service					-		-
Federal and State aid not restricted					2,956,417		2,956,417
Interest and Investment Earnings - Unrestricted					***		
Interest and Investment Earnings - Restricted					****		
Investment Earnings					-		-
Miscellaneous Income					63,137		63,137
Adjustments:							
PERS payment					611		611
Fixed Assets Adjustment					22,527		22,527
Capital Lease Payments					5,494		5,494
Food Service Transfer						20,000	20,000
Total general revenues, special items, extraordinary items and transfers					<u>4,840,938</u>	<u>20,000</u>	<u>4,860,938</u>
Change in Net Assets					<u>(255,698)</u>	<u>7,558</u>	<u>(248,140)</u>

New Hanover Township Board of Education
 Statement of Activities
 For the Year Ended June 30, 2021

Functions/ Programs	Net (Expense) Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Net Assets—beginning	7,320,238	21,630	7,341,868
Net Position, July 1	7,320,238	21,630	7,341,868
Prior Period Adjustments	75	-	75
Net Assets, July 1 (Restated)	7,320,313	21,630	7,341,943
Net Assets—ending	<u>\$ 7,064,615</u>	<u>\$ 29,188</u>	<u>7,093,803</u>

- * Student Activity revenue is reported "charges for services"; scholarship revenue is reported as "operating grants and contributions"
- ** Internal service fund (ex. Worker's comp) revenue is reported as "charges for services"
- *** Includes the interest earnings on the flexible benefits bank account
- **** Includes the interest earnings on the unemployment compensation bank account and workers' compensation bank account

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.

GOVERNMENTAL FUNDS

**New Hanover Township Board of Education
Balance Sheet
Governmental Funds
June 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	673,183	(41,993)			631,190
Investments					0
Receivables, net					0
Receivables- Intergovernmental (other)					0
Receivables - State	10,847	37,067			47,914
Receivables - Federal					0
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents	1,943,379	405			1,943,784
Other assets					0
	<u>2,627,409</u>	<u>(4,521)</u>	<u>0</u>	<u>0</u>	<u>2,622,888</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable					0
Scholarships Payable					0
Payroll Deductions and Withholdings Payable					0
Unemployment Compensation Claims Payable					0
Accrued Interest					0
Interfund payable					0
Payable to federal government					0
Payable to state government					0
Payable to local government					0
Deferred revenue					0
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Restricted Fund Balance:					
Reserve for Capital Reserve	696,545				696,545
Maintenance Reserve	131,462				131,462
Impact Aid Reserve	1,115,372				1,115,372
Unemployment Compensation					0
Scholarships					0
Student Activities		405			405
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures					0
Reserve for Excess Surplus					0
Assigned Fund Balance:					
Unreserved - Designated for Subsequent Year's Expenditures	33,710				33,710
Unreserved - Designated for Impact Aid Reserve	399,500				399,500
Unreserved - Designated for Maintenance Reserve	50,000				50,000
Committed Fund Balance					
Reserve for encumbrances	28,371				28,371
Unreserved, reported in:					
General fund	172,449				172,449
Special Revenue fund		(4,926)			(4,926)
Debt service fund					0
Capital projects fund					0
Permanent fund					0
Total Fund balances	<u>2,627,409</u>	<u>(4,521)</u>	<u>0</u>	<u>0</u>	<u>2,622,888</u>
Total liabilities and fund balances	<u>2,627,409</u>	<u>(4,521)</u>	<u>0</u>	<u>0</u>	<u>2,622,888</u>

**New Hanover Township Board of Education
Balance Sheet
Governmental Funds
June 30, 2021**

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

The net pension liability for PERS is not due and payable in the current period and is not reported in the governmental funds	\$ (559,962)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore are not reported in the funds:	
Deferred outflows of resources related to pensions	\$ 54,371
Deferred inflows of resources related to pensions	\$ (392,113)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,208,800 and the accumulated depreciation is \$4,759,721 (See Note 4)	
	5,449,079
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 5)	
	<u>(109,648)</u>
Net assets of governmental activities	<u>\$ 7,064,615</u>

The accompanying notes to financial statements are an integral part of this statement.

- * Include former fiduciary fund cash and cash equivalents
- ** Include payable due to the State for unreimbursed unemployment invoices
- *** Include payroll deductions payable and flexible benefits liabilities (flex spending has no net position, only liabilities)
- **** Include unspent employee payroll unemployment contributions

New Hanover Township Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the 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	\$ 1,792,752				\$ 1,792,752
Transportation Fees					-
Rental Facilities					-
Interest on Investments					-
Other Unrestricted Miscellaneous Revenue	13,111 *				\$ 13,111
Tuition charges					-
Miscellaneous	50,026	736 **			50,762
Total - Local Sources	1,855,889	736	-	-	1,856,625
State sources	3,025,733	50,388			3,076,121
Federal sources	667,665	249,948			917,613
Total revenues	5,549,287	301,072	-	-	5,850,359
EXPENDITURES					
Current:					
Regular instruction	1,421,578	258,468			1,680,046
Special education instruction	183,108				183,108
Other special instruction	93,770				93,770
Vocational education					-
Other instruction					-
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					-
Tuition	1,011,190				1,011,190
Student & instruction related services	547,241	32,141 ***			579,382
School administrative services	77,031				77,031
General administrative services	110,719				110,719
Central services	90,841				90,841
Administrative information technology					-
Plant operations and maintenance	414,264				414,264
Pupil transportation	366,175				366,175
Undistributed expenditures - Food Services	20,000				20,000
Unallocated benefits	1,423,009				1,423,009
Special schools					-
ARRA - Equalization Stabilization Fund (ESF)					-
ARRA - Government Services Fund (GSF)					-
Transfer to charter school					-
Debt service:					-
Principal					-
Interest and other charges					-
Capital outlay	11,580	9,005			20,585
Total expenditures	5,770,506	299,614	-	-	6,070,120
Excess (Deficiency) of revenues over expenditures	(221,219)	1,458	-	-	(219,761)
OTHER FINANCING SOURCES (USES)					
Capital leases (non-budgeted)					-
Writeoff of Receivables - net					-
Transfers in - Food Service					-
Transfers out					-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	(221,219)	1,458	-	-	(219,761)
Fund balance—July 1	2,848,628	(6,054)	-	-	2,842,574
Prior Period Adjustment		75 ****			75
Fund Balance, July 1 (Restated)	2,848,628	(5,979)	-	-	2,842,649
Fund balance—June 30	\$ 2,627,409	\$ (4,521)	\$ -	\$ -	\$ 2,622,813

The accompanying notes to financial statements are an integral part of this statement.

* Include interest earnings on the unemployment compensation bank account

** Special revenue fund now includes revenues from scholarships and student activities

*** Special revenue fund now includes expenditures from scholarships and student activities

**** Unemployment fund Net Position as of June 30, 2020

***** Scholarship fund and Student Activity Fund Net Position as of June 30, 2020

**New Hanover Township Board of Education
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021**

Total net change in fund balances - governmental funds (from B-2) (219,761)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (179,427)	
Fixed assets adjustment	22,527	
Capital outlays	<u>20,585</u>	
		\$ (136,315)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Repayment of Bond Principal		
Retirement of Bonds Outstanding	<u> </u>	
		\$ -

Payment of long-term liabilities is an expenditure in the governmental funds and reduces long-term liabilities in the statement of net assets.

Capital Lease Payments	\$ 5,494	
Voluntary Separation of Service Program Payments	<u>611</u>	
		\$ 6,105

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

Decrease in Pension Liability	139,322	
Decrease in Deferred Outflows	(42,152)	
Increase in Deferred Inflows	<u>(27,847)</u>	
		\$ 69,323

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds from issuance of long-term debt		
Refunds - bond insurance		
Acceptance of Voluntary Separation Program		
Capital lease proceeds	<u> </u>	
		\$ -

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

Prior year accrued interest on long term debt which was paid in the current year

Decrease in compensated absences payable	<u>24,950</u>	
		\$ 24,950

Change in net assets of governmental activities \$ (255,698)

PROPRIETARY FUNDS

New Hanover Township Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,149	\$ 9,149
Investments		-
Interfund receivable		-
Other receivables	10,722	10,722
Inventories:		
Commodities	2,157	2,157
Regular	1,125	1,125
Total current assets	23,153	23,153
Noncurrent assets:		
Furniture, machinery & equipment	44,844	44,844
Less accumulated depreciation	(37,380)	(37,380)
Total noncurrent assets	7,464	7,464
Total assets	30,617	30,617
LIABILITIES		
Current liabilities:		
Accounts payable	-	-
Unearned Revenue	1,429	1,429
Interfund payable	-	-
Deposits payable	-	-
Compensated absences	-	-
Total current liabilities	1,429	1,429
Noncurrent Liabilities:		
Compensated absences	-	-
Total noncurrent liabilities	-	-
Total liabilities	1,429	1,429
NET ASSETS		
Invested in capital assets net of related debt	7,464	7,464
Restricted for:		
Capital projects		-
Unrestricted	21,724	21,724
Total net assets	\$ 29,188	\$ 29,188

**New Hanover Township Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021**

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 10,809	10,809
Daily sales - non-reimbursable programs	5,316	5,316
Special functions		-
Deductions from employees' salaries		-
Total operating revenues	16,125	16,125
 Operating expenses:		
Cost of sales - reimburseable programs	40,150	40,150
Cost of sales - non-reimbursable programs	1,114	1,114
Salaries	44,832	44,832
Employee benefits		-
Purchased property service		-
Other purchased professional services		-
Cleaning, repair and maintenance services	822	822
Management Fees	11,935	11,935
Rentals		-
Insurance	3,005	3,005
Uniforms		-
General supplies	6,908	6,908
Miscellaneous expense	3,135	3,135
Depreciation	841	841
Food distribution program Expense	10,993	10,993
Total Operating Expenses	123,735	123,735
Operating income (loss)	(107,610)	(107,610)
 Nonoperating revenues:		
State sources:		
State school lunch program	2,742	2,742
Federal sources:		
National school lunch	50,555	50,555
School breakfast program	30,878	30,878
Special milk program		-
Food Distribution Program	10,993	10,993
Interest and investment revenue		-
Subsidy Operating - General Fund	20,000	20,000
Total nonoperating revenues	115,168	115,168
Income (loss) before contributions & transfers	7,558	7,558
Capital contributions		-
Change in net assets	7,558	7,558
Total net assets—beginning	21,630	21,630
Total net assets—ending	\$ 29,188	\$ 29,188

New Hanover Township Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities -	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ (113,748)	\$ (113,748)
Payments to employees		-
Payments for employee benefits		-
Payments to suppliers		-
Net cash provided by (used for) operating activities	<u>(113,748)</u>	<u>(113,748)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,742	2,742
Federal Sources	92,426	92,426
Operating subsidies and transfers from other funds	20,000	20,000
Net cash provided by (used for) non-capital financing activities	<u>115,168</u>	<u>115,168</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in capital contributions		-
Purchases of capital assets		-
Gain/Loss on disposition of fixed assets (proceeds)	240	240
Net cash provided by (used for) capital and related financing activities	<u>240</u>	<u>240</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends		-
Proceeds from sale/maturities of investments		-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,660	1,660
Balances—beginning of year	7,489	7,489
Balances—end of year	<u>9,149</u>	<u>9,149</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(107,610)	(107,610)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		-
Depreciation and net amortization	841	841
Purchase of Fixed Assets		-
(Increase) decrease in accounts receivable, net	(8,730)	(8,730)
(Increase) decrease in inventories	322	322
(Increase) decrease in other current assets		-
Increase (decrease) in accounts payable		-
Increase (decrease) in unearned income	1,429	1,429
Increase (decrease) in due to general fund		-
Total adjustments	<u>(6,138)</u>	<u>(6,138)</u>
Net cash provided by (used for) operating activities	<u>\$ (113,748)</u>	<u>\$ (113,748)</u>

FIDUCIARY FUNDS

**New Hanover Township Board of Education
Statement of Fiduciary Net Position
Fiduciary Funds
6/30/2021**

	Agency Fund	
	Student Activity	Payroll
ASSETS		
Cash and cash equivalents	\$ 405	\$ 99,448
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Due from General Fund		
Total investments	-	-
Total assets	405	\$ 99,448
LIABILITIES		
Accounts payable		
Due to General Fund		
Payable to student groups	405	
Accrued salaries and wages		81,573
Net Payroll		7,354
Payroll deductions and withholdings		10,521
Total liabilities	405	\$ 99,448
NET ASSETS	\$ -	\$ -

NOTES TO THE FINANCIAL STATEMENTS

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the New Hanover Township School District Board of Education have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2021.

A. Reporting Entity:

New Hanover Township School District Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board is comprised of nine members appointed to three-year terms.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include educational services to grade levels Pre-K through 8. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. 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 activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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).

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

Proprietary Fund Type

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The Food Service 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.

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued):

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2021.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues"	\$ 5,515,709	\$ 299,944
Adjust for State Aid Payment:		
Add: Prior Year Payment	223,137	
Less: Current Year Payment	(189,559)	
Adjust for Encumbrances:		
Add: Prior Year Encumbrances		6,054
Less: Current Year Encumbrances		(4,926)
Total Revenues (GAAP Basis)	<u>\$ 5,549,287</u>	<u>\$ 301,072</u>
Uses/outflows of resources		
Actual amounts (budgetary) "total outflows"	\$ 5,770,506	\$ 299,614
Adjustments:		
Add: Prior Year Encumbrances		
Less: Current Year Encumbrances		
Total Expenditures (GAAP Basis)	<u>\$ 5,770,506</u>	<u>\$ 299,614</u>

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.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents 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.

G. Inventories and Prepaid Expenses:

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

H. Fixed Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. 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. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

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

I. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

J. Compensated Absences:

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

K. Deferred Revenue:

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

L. Accrued Liabilities and Long-Term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.J8A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

P. Tuition Receivable/Payable:

Tuition charges are established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year.

Accordingly, the tuition rate adjustments for the years 2018-2019 have been certified and finalized. Tuition charges for the years subsequent to the years 2018-2019 have been estimated and projected based on calculated tuition costs per pupil and number of students.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

A. Deposits:

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds; or

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued):

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

B. Investments:

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$ 2,683,571
NJ Cash Management Account	<u>0</u>
	\$ 2,683,571
	=====

All of the balances were covered by the either federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 – Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

As of June 30, 2021, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings, New Jersey Cash Management Account. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$ 2,683,571
2	None
3	<u>None</u>
	\$ 2,683,571
	=====

NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)

The District has deposited cash in 2021 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.L.C. or any other U.S. agency which insures public depository funds.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)
(Continued)

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of the certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 4. CAPITAL ASSETS

Fixed asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	90,000	-	-	90,000
Land Improvements	145,000			145,000
Total capital assets not being depreciated	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
<i>Capital assets being depreciated:</i>				
Building and building improvements	9,621,148			9,621,148
Machinery and equipment	309,540	43,112		352,652
Totals at historical cost	<u>9,930,688</u>	<u>43,112</u>	<u>-</u>	<u>9,973,800</u>
Less accumulated depreciation for :				
Building, Improvements, and Equipment	4,580,294	179,427		4,759,721
Total	<u>4,580,294</u>	<u>179,427</u>	<u>-</u>	<u>4,759,721</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>5,350,394</u>	<u>(136,315)</u>	<u>-</u>	<u>5,214,079</u>
Governmental activity capital assets, net	<u>\$ 5,585,394</u>	<u>\$ (136,315)</u>	<u>\$ -</u>	<u>\$ 5,449,079</u>
Business-type activities:				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 44,844	\$ -	\$ -	\$ 44,844
Less accumulated depreciation	<u>36,539</u>	<u>841</u>	<u>-</u>	<u>\$ 37,380</u>
Enterprise fund capital assets, net	<u>\$ 8,305</u>	<u>\$ (841)</u>	<u>\$ -</u>	<u>\$ 7,464</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 4. CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instruction	
Student and Instruction - Related Services	-
School Administrative Related Services	-
General and Business Administrative Services	-
Central Services	-
Administrative Information Technology	-
Plant Operations and Maintenance	-
Pupil Transportation	-
Business and Other Support Services	-
Unallocated	179,427
Total	<u>\$ 179,427</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 5. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2020	Issued	Retired	Balance 6/30/2021	Amounts Due Within One Year
Capital Lease Payable	\$ 21,828		\$ 5,494	\$ 16,334	\$ 5,830
PERS Payment Deferral	3,661		611	3,050	611
Compensated Absences Payable	115,214		24,950	90,264	
	<u>\$ 140,703</u>	<u>\$ -</u>	<u>\$ 31,055</u>	<u>\$ 109,648</u>	<u>\$ 6,441</u>

A. Bonds Payable:

As of June 30, 2021, the District did not have any outstanding bonds.

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the District authorized but not used bonds.

C. Public Employees' Retirement System (PERS) Payment Deferral:

On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for the 2008-09 fiscal year. Commencing in the fiscal year June 30, 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

On April 30, 2009, the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$9,160.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A. 43:15A-25b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43: 15A-6n) and currently is 8.25%.

<u>Fiscal Year Ending June 30,</u>	<u>Deferral Payment</u>	<u>Payment</u>	<u>Total Projected Payment</u>
2022-2023	1,220	611	1,831
2024-2026	2,441	547	2,988
Total	<u>3,661</u>	<u>1,158</u>	<u>4,819</u>

D. Capital Leases Payable:

The District is leasing several copiers under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum Lease payments at June 30, 2022

Year Ending June 30,	<u>Total</u>
2022	6,639
2023	6,639
2024	4,428
Total Minimum Lease Payments	17,706
Less: Amount Representing Interest	(1,372)
Net Minimum Lease Payments	<u>16,334</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6. PENSION PLANS

Plan Descriptions

All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF)

The TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers.

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the DOE who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS)

The PERS was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6. PENSION PLANS (Continued)

Plan Descriptions (Continued)

Public Employees' Retirement System (PERS)(Continued)

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

For the year ended June 30, 2021, the District recognized pension expense of \$6,337 consisting of employer contributions of \$37,564 and non-employer contributions of \$(31,227). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,196	\$ 1,980
Changes of assumptions	18,166	234,462
Net difference between projected and actual earnings on pension plan investments	19,140	
Changes in proportion and differences between District contributions and proportionate share of contributions	6,869	155,671
District contributions subsequent to the measurement date		
Total:	<u>\$ 54,371</u>	<u>\$ 392,113</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2021	\$	(70,265)
2022	\$	(64,060)
2023	\$	(36,609)
2024	\$	(14,804)
2025	\$	<u>(3,202)</u>
Total	\$	<u><u>(188,940)</u></u>

Additional Information

Collective balances at December 31, 2019 and 2020 are as follows:

	<u>12/31/2019</u>	<u>12/31/2020</u>
Collective deferred outflows of resources	\$ 96,523	\$ 54,371
Collective deferred inflows of resources	364,266	392,113
Collective net pension liability	699,284	559,962
District's Proportion	<u>0.0039%</u>	<u>0.0034%</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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

For the year ended June 30, 2021, the District recognized pension expense of \$676,006 and revenue of \$676,006 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 162,549	\$ 30,040
Changes of assumptions	1,287,508	2,346,058
Net difference between projected and actual earnings on pension plan investments	108,091	
Changes in proportion and differences between District contributions and proportionate share of contributions	24,929	2,752
District contributions subsequent to the measurement date	-	-
Total:	<u>\$ 1,583,077</u>	<u>\$ 2,378,850</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$	(43,263)
2022	\$	(31,096)
2023	\$	(127,809)
2024	\$	(320,129)
2025	\$	(242,097)
Thereafter	\$	<u>(55,352)</u>
Total	\$	<u>(819,746)</u>

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6. PENSION PLANS (Continued)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$609,258 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$127,723 during the year ended June 30, 2021 for the employer's share of Social Security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 7. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan description and benefits provided

The State provides post-retirement medical (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 post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 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 new 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 in \$65.5 billion, a decrease of \$10.5 billion or 13.8 percent from the \$76.0 billion liability recorded in Fiscal Year 2019.

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability

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

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%	
Salary Increases	<u>TPAF</u>	<u>PERS</u>
Through 2026	1.55 – 4.45% Based on service years	2.00 - 6.00% Based on service years
Thereafter	1.55 – 4.45% Based on service years	3.00 - 7.00% Based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (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 generation mortality improvement projections from the central year using Scale MP-2020.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

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, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS and PFRS, 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 eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.8% and decreases to a 4.5% long-term trend rate seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

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

	<u>Increase/Decrease Total OPEB Liability</u>
Balance as of June 30, 2019 Measurement Date	\$ 41,729,081,045
Changes Recognized for the Fiscal Year	
Service Cost	\$ 1,790,973,822
Interest on the Total OPEB Liability	1,503,341,357
Changes of benefit terms	-
Differences Between Expected and Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Gross Benefit Payments	(1,180,515,618)
Contributions From the Non-Employer	N/A
Contributions From the Member	35,781,384
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>\$ 26,080,881,563</u>
Balance as of June 30, 2020 Measurement Date	\$ 67,809,962,608

The State's total OPEB liability attributable to the District: \$ 10,008,590.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2019 to 3.50% percent in 2020.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% decrease (1.21%)	discount rate (2.21%)	1% increase (3.21%)
\$	81,748,410,002	67,809,962,608	83,375,182,975

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2020 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% decrease	Healthcare cost trend rate	1% increase
\$	54,738,488,540	67,809,962,608	83,375,182,975

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$ 620,474 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 No. 75 and in which there is a special funding situation.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

In accordance with GASB No. 75, the New Hanover Township Board of Education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred inflows Of Resources
Changes in proportion	\$ 2,193,728,802	\$ (2,193,728,802)
Differences between expected and actual experience	\$ 10,295,318,750	\$ (9,170,703,615)
Changes of assumptions or other inputs	\$ 11,534,251,250	\$ (7,737,500,827)
Total	<u>\$ 24,023,298,802</u>	<u>\$ (19,101,933,244)</u>

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

Measurement Period Ending June 30,	
2021	\$ 43,440,417
2022	\$ 43,440,417
2023	\$ 43,440,417
2024	\$ 43,440,417
2025	\$ 43,440,417
Total Thereafter	\$ 4,704,163,473
	<u>\$ 4,921,365,558</u>

For the fiscal year ended June 30, 2021, the State of New Jersey contributed on behalf of the District \$145,298 to the TPAF for post-retirement medical benefits.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2021.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ -
Special Revenue Fund		
Capital Projects Fund		
Debt Service Fund		
Enterprise Fund	\$ -	
Trust and Agency Fund		
	<u>\$0</u>	<u>\$0</u>

These amounts represent temporary advances between the various funds.

NOTE 9. CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2020-2021 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

NOTE 10. LITIGATION

There is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District, as of the date of this report.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 11. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term account group. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore, is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Board offers several plan administrators for its employees to utilize.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the District and its employees contribute to the New Jersey Unemployment Trust Fund for benefits paid to its former employees. The District remits quarterly the amounts due to the State.

Joint Insurance Pool – The School District is a member of the Burlington and Camden County Educator’s Insurance Consortium, a sub-fund of the New Jersey School Boards Association Insurance Group. The Fund provides its members with the following coverages:

Property – Blanket Building & Grounds	Electronic Data Processing
Equipment Breakdown	Crime
Comprehensive General Liability	Automotive Liability
Worker’s Comprehensive & Employer’s Liability	School Leaders Errors & Omissions Liability

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

The Fund publishes its own financial report for the year ended June 30, 2021, which can be obtained from the following address:

New Jersey School Boards Association Insurance Group
450 Veterans Drive
Burlington, NJ 08016

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 14. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the end of the fiscal year of June 30 if a required minimum amount is not appropriated as budgeted fund balance in their subsequent year's budget. The Excess Fund Balance at June 30, 2021 is \$ 0. The Excess Fund Balance at June 30, 2020 was \$ 0.

NOTE 15. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 16. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

NOTE 17. SUBSEQUENT EVENTS

The New Hanover Township Board of Education has evaluated subsequent events occurring after June 30, 2021 through the date of February 15, 2022, which is the date the financial statements were available to be issued. The District has determined there are no material subsequent events needed to be disclosed.

NOTE 18. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the New Hanover Township Board of Education by inclusion of \$1 on October 19, 2000 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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 18. CAPITAL RESERVE ACCOUNT (Continued)

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 696,545
Increased by:	
Interest Earnings	-
Transfers	-
	<hr/>
Ending Balance, June 30, 2021	<u>\$ 696,545</u>

NOTE 19. ECONOMIC DEPENDENCY

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 20. GASB #54 – FUND BALANCE DISCLOSURES

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the New Hanover Board of Education classifies governmental fund balances as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned - includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$2,816,968 General Fund fund balance at June 30, 2021, \$0 is restricted for excess surplus – current year; \$1,943,379 is restricted for other purposes. \$28,371 is committed for other purposes; \$483,210 is assigned as designated for subsequent year's expenditures and \$362,008 is unassigned.

NOTE 21. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$4,521 in the Special Revenue Fund as of June 30, 2021 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 21. DEFICIT FUND BALANCES (continued)

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$4,521 [is equal to (or) is less than] the last state aid payment.

NOTE 22. FEDERAL IMPACT AID RESERVE

As permitted by P.L.2015, c.46 which amended N.J.S.A. 18A:7F-41 a federal impact reserve account was established by the New Hanover Township Board of Education by a transfer of \$650,000 on 6/9/17 by board resolution for the amount of federal impact aid funds - general fund - received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The Federal Impact Aid - General Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Federal Impact Aid Reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows

Beginning Balance, July 1, 2020	\$ 1,514,872
Increased by:	
Interest Earnings	
Transfers	-
Decreased by:	
Assigned to Fund Balance	<u>(\$399,500)</u>
Ending Balance, June 30, 2021	<u>\$ 1,115,372</u>

NOTE 23. ESTIMATES

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

***REQUIRED SUPPLEMENTARY INFORMATION
PART II***

BUDGETARY COMPARISON SCHEDULES

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,792,752	-	\$ 1,792,752	\$ 1,792,752	\$ -
Transportation Fees From Other LEAs		-			-
Rental Facilities		-			-
Tuition		-			-
Interest Income - Other		-			-
Other Restricted Miscellaneous Revenues	-	-	-	*	-
Unrestricted Miscellaneous Revenues	39,026	-	39,026	13,111	** (25,915)
Interest Earned on Capital Reserve Funds.	48	-	48		(48)
Miscellaneous		-		50,026	50,026
Total - Local Sources	<u>1,831,826</u>	<u>-</u>	<u>1,831,826</u>	<u>1,855,889</u>	<u>24,063</u>
State Sources:					
Categorical Special Education Aid	152,726	-	152,726	152,726	-
Categorical Transportation Aid	161,552	-	161,552	161,552	-
Categorical Security Aid	78,055	-	78,055	78,055	-
Equalization Aid	1,858,261	-	1,858,261	1,858,261	-
Extraordinary Aid -Current Year		-			-
Lead Testing Reimbursement		-			-
Adjustment Aid		-			-
Non Public Transportation Aid		-		4,580	4,580
Other State Aid		-			-
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)		-		145,298	145,298
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)		-		463,641	463,641
Teacher's Pension & Annuity Fund-Non Contrib(On-Behalf - Non-Budgeted)		-		319	319
TPAF Social Security (Reimbursed - Non-Budgeted)		-		127,723	127,723
Total State Sources	<u>2,250,594</u>	<u>-</u>	<u>2,250,594</u>	<u>2,992,155</u>	<u>741,561</u>
Federal Sources:					
Impact Aid	650,000	-	650,000	667,665	17,665
Education Jobs Fund		-			-
Total - Federal Sources	<u>650,000</u>	<u>-</u>	<u>650,000</u>	<u>667,665</u>	<u>17,665</u>
Total Revenues	<u>4,732,420</u>	<u>-</u>	<u>4,732,420</u>	<u>5,515,709</u>	<u>783,289</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Local Contrib. - Trans to Special Rev - Regular		-			-
Preschool - Salaries of Teachers	13,860	20,652	34,512	34,512	-
Kindergarten - Salaries of Teachers	149,542	5,669	155,211	155,211	-
Grades 1-5 - Salaries of Teachers	621,095	(62,794)	558,301	558,301	-
Grades 6-8 - Salaries of Teachers	359,709	8,231	367,940	367,940	-
Grades 9-12 - Salaries of Teachers		-			-
Regular Programs - Home Instruction:					
Salaries of Teachers	1,500	-	1,500		1,500
Purchased Professional-Educational Services		-			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	124,332	(13,380)	110,952	110,952	-
Purchased Professional-Educational Services		-			-
Purchased Technical Services	17,000	25,131	42,131	40,601	1,530
Other Purchased Services (400-500 series)	22,000	4,327	26,327	25,920	407
General Supplies	36,000	6,664	42,664	37,605	5,059
Textbooks	80,707	9,829	90,536	90,536	0
Other Objects		-			-
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>1,425,745</u>	<u>4,328</u>	<u>1,430,073</u>	<u>1,421,578</u>	<u>8,496</u>

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
SPECIAL EDUCATION - INSTRUCTION					
Cognitive - Mild:					
Salaries of Teachers	185,012	(1,904)	183,108	183,108	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Mild	<u>185,012</u>	<u>(1,904)</u>	<u>183,108</u>	<u>183,108</u>	<u>-</u>
Cognitive - Moderate:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Moderate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Learning and/or Language Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Learning and/or Language Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Visual Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Visual Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Auditory Impairments:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Auditory Impairments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Behavioral Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Behavioral Disabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Multiple Disabilities	-	-	-	-	-
Resource Room/Resource Center:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Resource Room/Resource Center	-	-	-	-	-
Autism:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Autism	-	-	-	-	-
Preschool Disabilities - Part-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Part-Time	-	-	-	-	-
Preschool Disabilities - Full-Time:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Preschool Disabilities - Full-Time	-	-	-	-	-
Home Instruction:					
Purchased Professional-Educational Services		-			-
Total Home Instruction	-	-	-	-	-

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Cognitive - Severe:					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Cognitive - Severe	-	-	-	-	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>185,012</u>	<u>(1,904)</u>	<u>183,108</u>	<u>183,108</u>	<u>-</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Basic Skills/Remedial - Instruction	-	-	-	-	-
Bilingual Education - Instruction					
Salaries of Teachers	61,026	-	61,026	61,026	-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	1,950	-	1,950	-	1,950
Textbooks		-			-
Other Objects		-			-
Total Bilingual Education - Instruction	<u>62,976</u>	<u>-</u>	<u>62,976</u>	<u>61,026</u>	<u>1,950</u>
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	14,073	(9,839)	4,234	4,234	-
Other Salaries for		18,500	18,500	18,500	-
Purchased Services (300-500 series)		-			-
Supplies and Materials	8,500	1,511	10,011	10,011	-
Other Objects	400	-	400		400
Transfers to Cover Deficit (Agency Funds)		-			-
Total School-Spon. Cocurricular Actvts. - Inst.	<u>22,973</u>	<u>10,171</u>	<u>33,144</u>	<u>32,744</u>	<u>400</u>
School-Spon. Athletics - Inst.					
Salaries of Teachers	9,000	(9,000)	-		-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies	1,500	-	1,500	-	1,500
Textbooks		-			-
Other Objects		-			-
Total School-Spon. Athletics - Inst.	<u>10,500</u>	<u>(9,000)</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Other Instructional Programs - Instruction					
Salaries		-			-
Purchased Services (300-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Transfers to Cover Deficit (Agency Funds)		-			-
Total Other Instructional Programs - Instruction	-	-	-	-	-
Total Instruction	<u>1,707,206</u>	<u>3,595</u>	<u>1,710,801</u>	<u>1,698,456</u>	<u>12,346</u>

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Instruction:					
Tuition to CSSD & Regional Day Schools	88,148	116,111	204,259	204,259	-
Tuition to Private Schools for the Disabled - Within State	130,000	(43,886)	86,114	86,114	-
Tuition to Private Schools for the Disabled & Oth LEAs-Spl - o/s NJ		-			-
Tuition -County Voc School Dist.-Regular	50,000	20,340	70,340	70,340	-
Tuition -County Voc School Dist.-Special	4,000	(4,000)			-
Tuition - State Facilities		54,556	54,556	54,556	-
Tuition - Other		-			-
Tuition - Other LEAs Within State-Regular	301,812	29,131	330,943	330,943	-
Tuition - Other LEAs Within State-Special	250,000	23,979	273,979	264,979	9,000
Total Undistributed Expenditures - Instruction:	<u>823,960</u>	<u>196,230</u>	<u>1,020,190</u>	<u>1,011,190</u>	<u>9,000</u>
Undistributed Expend. - Attendance & Social Work					
Salaries		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Undistributed Expend. - Attendance & Social Work	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Health Services					
Salaries	91,756	(28,397)	63,359	63,359	-
Purchased Professional and Technical Services	1,400	(734)	666		666
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	3,000	734	3,734	3,638	96
Other Objects	150	-	150		150
Total Undistributed Expenditures - Health Services	<u>96,306</u>	<u>(28,397)</u>	<u>67,909</u>	<u>66,997</u>	<u>912</u>
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries of Other Professional Staff		-			-
Purchased Professional - Educational Services	60,000	69,810	129,810	112,250	17,560
Supplies and Materials	100	-	100	71	29
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	<u>60,100</u>	<u>69,810</u>	<u>129,910</u>	<u>112,321</u>	<u>17,589</u>
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.					
Salaries	90,000	(90,000)	-		-
Purchased Professional - Educational Services		-			-
Supplies and Materials		-			-
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	<u>90,000</u>	<u>(90,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff		-			-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Other Purchased Prof. and Tech. Services	16,000	(16,000)			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	2,000	(2,000)			-
Other Objects		-			-
Total Undist. Expend. - Guidance	<u>18,000</u>	<u>(18,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	63,126	(24,221)	38,905	38,905	-
Salaries of Secretarial and Clerical Assistants		-			-
Purchased Professional Educational Services	10,000	62,305	72,305	72,305	-
Other Purchased Prof and Tech Services		-			-
Misc. Purch Serv (400 - 500 series o/than resid costs)		-			-
Supplies and Materials	3,000	(2,670)	330	330	-
Other Objects	350	(350)			-
Total Undist. Expend. - Child Study Teams	<u>76,476</u>	<u>35,414</u>	<u>111,540</u>	<u>111,540</u>	<u>-</u>

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	184,988	(64,440)	120,548	120,548	-
Salaries of Other Professional Staff	2,500	(2,500)			-
Salaries of Secr and Clerical Assist.	59,369	16,855	76,224	76,224	-
Other Salaries		-			-
Purchased Prof- Educational Services		-			-
Other Purch Prof. and Tech. Services		-			-
Other Purch Services (400-500)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>246,857</u>	<u>(50,085)</u>	<u>196,772</u>	<u>196,772</u>	<u>-</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	59,531	(805)	58,726	58,726	-
Other Purchased Prof. and Tech. Services	300	445	745	745	-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	5,000	(5,000)			-
Other Objects		-			-
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>64,831</u>	<u>(5,360)</u>	<u>59,471</u>	<u>59,471</u>	<u>-</u>
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction		-			-
Salaries of Other Professional Staff		-			-
Salaries of Secretarial and Clerical Assist		-			-
Other Salaries		-			-
Purchased Professional - Educational Serv		-			-
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)	10,000	(9,860)	140	140	-
Supplies and Materials		-			-
Other Objects		-			-
Total Undist. Expend. - Instructional Staff Training Serv.	<u>10,000</u>	<u>(9,860)</u>	<u>140</u>	<u>140</u>	<u>-</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries		68,994	68,994	68,994	-
Legal Services	14,600	(5,975)	8,625	8,213	413
Audit Fees	18,615	-	18,615	18,250	365
Architectural/Engineering Services		-			-
Other Purchased Professional Services		1,750	1,750	1,750	-
Communications/Telephone	23,500	(15,124)	8,376	7,357	1,018
Communications/Postage		639	639	601	38
BOE Other Purchased Services	500	-	500		500
Other Purchased Services (400-500 series)		1,750	1,750		1,750
Other Purchased Prof. and Tech. Services		-			-
Rental		-			-
Travel		-			-
Supplies and Materials		-			-
General Supplies	400	-	400	368	32
BOE In house Training/Meeting Supplies		-			-
BOE Membership Dues and Fees	5,000	(6)	4,994	4,994	-
Judgements Against The School Distric		-			-
Miscellaneous Expenditures	2,500	(1,244)	1,256	193	1,063
Total Undist. Expend. - Supp. Serv. - General Admin.	<u>65,115</u>	<u>50,783</u>	<u>115,898</u>	<u>110,719</u>	<u>5,179</u>
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	44,702	19,304	64,006	64,006	-
Salaries of Other Professional Staff	11,446	1,579	13,025	13,025	-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Rental		-			-
Other Objects		-			-
Total Undist. Expend. - Support Serv. - School Admin.	<u>56,148</u>	<u>20,883</u>	<u>77,031</u>	<u>77,031</u>	<u>-</u>

**New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Central Services					
Salaries	27,831	33,363	61,194	61,194	-
Purchased Professional Services	25,000	(16,340)	8,660	8,660	-
Purchased Technical Services	10,000	8,618	18,618	18,618	-
Miscellaneous Purchased Services		-			-
Supplies and Materials	2,500	346	2,846	2,309	537
Interest on Current Loans		-			-
Miscellaneous		-			-
Miscellaneous Expenditures	500	-	500	61	439
Total Undist. Expend. - Central Services	<u>65,831</u>	<u>25,987</u>	<u>91,818</u>	<u>90,841</u>	<u>977</u>
Undist. Expend. - Admin. Info. Tech.					
Salaries		-			-
Purchased Technical Services		-			-
Supplies and Materials		-			-
Total Undist. Expend. - Admin. Info. Tech.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Required Maint.- School Facilities					
Salaries	28,773	0	28,773	28,773	-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services		-			-
Cleaning, Repair and Maintenance Services	105,000	6,392	111,392	109,899	1,492
Other Purchased Property Services		-			-
Insurance		-			-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	5,000	(335)	4,665	4,665	-
Energy (Energy and Electricity)		-			-
Other Objects		-			-
Total Undist. Expend. - Required Maint.- School Facilities	<u>138,773</u>	<u>6,057</u>	<u>144,830</u>	<u>143,337</u>	<u>1,492</u>
Undist. Expend. - Custodial Services					
Salaries	80,913	18,648	99,561	99,561	-
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services	5,000	(5,000)			-
Cleaning, Repair and Maintenance Services	66,829	(42,433)	24,397	24,397	-
Other Purchased Property Services	14,000	(6,827)	7,173	7,173	-
Insurance	34,203	(3,185)	31,018	31,018	-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	15,000	(396)	14,604	12,622	1,982
Energy-Natural Gas	22,238	(115)	22,123	22,123	-
Energy-Electricity	70,040	3,993	74,033	74,033	-
Energy-Gasoline	235	(235)			-
Other Objects		-			-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>308,458</u>	<u>(35,549)</u>	<u>272,909</u>	<u>270,927</u>	<u>1,982</u>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries		-			-
General Supplies		-			-
Total Undist. Expend. - Care & Upkeep of Grounds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	<u>447,231</u>	<u>(29,493)</u>	<u>417,738</u>	<u>414,264</u>	<u>3,475</u>
Undist. Expend. - Security					
Salaries		-			-
Purchased Professional and Technical Services		-			-
Total Undist. Expend. - Security	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Student Transportation Serv.					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries for pupil trans - (Between Home and School) - Reg	27,833	-	27,833	27,832	1
Salaries for pupil trans - (Between Home and School) - Sp Ed		-			-
Salaries for pupil trans - (Other than Bet. Home and School)		-			-
Lease Purchase Payments - School Buses		-			-
Contract Services - (Other than Bet. Home and School) - Vendors	7,000	-	7,000		7,000
Contract Services - (Between Home and School) - Vendors	75,000	77,736	152,736	152,736	-
Contract Services - (Between Home and School) - Joint	51,156	(51,156)			-
Contract Services - (Special Ed Stds) - Vendors	228,167	(32,428)	195,739	165,520	30,219
Contract Services - (Special Ed Stds) - Joint		-			-
Contract Services - (Reg Ed Stds) - ESCs & CTSA		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA		-			-
Contract Services - Aid in Lieu Of Pymts-NonPub Sch	30,000	1,837	31,837	20,088	11,749
Miscellaneous Purchased Services-Transportation	5,000	(23)	4,978		4,978
Supplies and Materials		-			-
Transportation Supplies		-			-
Other Objects		-			-
Total Undist. Expend. - Student Transportation Serv.	<u>424,156</u>	<u>(4,034)</u>	<u>420,122</u>	<u>366,175</u>	<u>53,947</u>
Undist. Expend. - Business and Other Support Serv.					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Interest on Current Loans		-			-
Total Undist. Expend. - Business and Other Support Serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undist. Expend. - Food Services					
Transfers to Cover Deficit (Enterprise Fund)		20,000	20,000	20,000	-
Total Undist. Expend. - Food Services	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
UNALLOCATED BENEFITS					
Group Insurance		-			-
Social Security Contributions	40,000	14,622	54,622	47,295	7,327
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - PERS	27,768	13,000	40,768	39,980	788
Other Retirement Contributions - Deferred PERS	5,249	-	5,249		5,249
Other Retirement Contributions - Regular	5,000	-	5,000	555	4,445
Unemployment Compensation	10,000	-	10,000	8,098	1,902
Workmen's Compensation	33,358	-	33,358	26,238	7,120
Health Benefits	769,410	(124,568)	644,842	557,862	86,980
Tuition Reimbursement	6,000	-	6,000	6,000	-
Other Employee Benefits		-			-
TOTAL UNALLOCATED BENEFITS	<u>896,785</u>	<u>(96,947)</u>	<u>799,838</u>	<u>686,027</u>	<u>113,812</u>
On-behalf TPAF Pension Contributions (non-budgeted)		-		463,641	(463,641)
On-behalf TPAF Pension Contributions-Non Contrib (non-budgeted)		-		319	(319)
On-behalf TPAF OPEB (Post Retire. Medical) Contributions (non-budgeted)		-		145,298	(145,298)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		127,723	(127,723)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,981</u>	<u>(736,981)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>896,785</u>	<u>(96,947)</u>	<u>799,838</u>	<u>1,423,008</u>	<u>(623,169)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>3,441,796</u>	<u>86,932</u>	<u>3,528,378</u>	<u>4,060,470</u>	<u>(532,092)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>5,149,002</u>	<u>90,528</u>	<u>5,239,180</u>	<u>5,758,926</u>	<u>(519,746)</u>

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Instruction		-			-
Grades 1-5		-			-
Grades 6-8		-			-
Grades 9-12		-			-
Home Instruction		-			-
Special Education - Instruction:					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction		-			-
Undist.Expend.-Support Serv.-Students - Reg.		-			-
Undist.Expend.-Support Serv.-Related & Extra		-			-
Undist.Expend.-Non-Instructional Services		-			-
Undistributed Expenditures - General Admin.		-			-
Undistributed Expenditures - School Admin.		-			-
Undistributed Expenditures - Central Services		-			-
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Admin Info Tech		-			-
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
Total Equipment	-	-	-	-	-
Facilities Acquisition and Construction Services					
Construction Services		-			-
Architectural/Engineering Services		-			-
Other Purchased Prof. Service		-			-
Assessment for Debt Service on SDA Funding	11,580	-	11,580	11,580	-
Lease Purchase Agreements		-			-
Total Facilities Acquisition and Construction Services	11,580	-	11,580	11,580	-
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Capital Leases		-			-
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
Interest Deposit to Capital Reserve	48	-	48		-
TOTAL CAPITAL OUTLAY	11,628	-	11,628	11,580	48

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Summer School - Instruction	-	-	-	-	-
Summer School - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Summer School - Support Services	-	-	-	-	-
Total Summer School	-	-	-	-	-
Other Special Schools - Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Other Special Schools - Instruction	-	-	-	-	-
Other Special Schools - Support Services					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Other Special Schools - Support Services	-	-	-	-	-
Total Other Special Schools	-	-	-	-	-
Accred. Even./Adult H.S./Post-Grad.-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Inst.	-	-	-	-	-
Accred. Even./Adult H.S./Post-Grad.-Supp. Service					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service	-	-	-	-	-
Total Accred. Even./Adult H.S./Post-Grad.	-	-	-	-	-

New Hanover Township Board of Education
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Adult Education-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Adult Education-Local-Instruction	-	-	-	-	-
Adult Education-Local -Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Adult Education-Local -Support Serv.	-	-	-	-	-
Total Adult Education-Local	-	-	-	-	-
Vocational Evening-Local-Instruction					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Vocational Evening-Local-Instruction	-	-	-	-	-
Vocational Evening-Local-Support Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
Total Vocational Evening-Local-Support Serv.	-	-	-	-	-
Total Vocational Evening-Local	-	-	-	-	-
Even.-Sch.-Foreign-Born-Local-Inst.					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
Total Even.-Sch.-Foreign-Born-Local-Inst.	-	-	-	-	-
Even.-Sch.-Foreign-Born-Local-Sup. Serv.					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects (rounding)		-			-
Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.	-	-	-	-	-
Total Even.-Sch.-Foreign-Born-Local	-	-	-	-	-
TOTAL SPECIAL SCHOOLS	-	-	-	-	-
Transfer of Funds to Charter Schools/ROUNDING		-			-
TOTAL EXPENDITURES	5,160,630	90,528	5,250,808	5,770,506	(519,698)

New Hanover Township Board of Education
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(428,210)	(90,528)	(518,388)	(254,797)	263,591
Other Financing Sources(Uses):					
Withdrawal from Impact Aid Reserve				-	
Capital Leases (non-budgeted)		-			-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(428,210)	(90,528)	(518,388)	(254,797)	263,591
Fund Balance, July 1	3,071,765	(112,537)	3,071,765	3,071,765	(607,117)
Prior Period Adjustment				***	
Fund Balance, July 1 (Restated)	3,071,765	(112,537)	3,071,765	3,071,765	(607,117)
Fund Balance, June 30	<u>\$ 2,643,555</u>	<u>\$ (203,065)</u>	<u>\$ 2,553,377</u>	<u>\$ 2,816,968</u>	<u>\$ (343,526)</u>

Recapitulation of Fund Balance:

Restricted Fund Balance:

Reserve for Capital Reserve	696,545
Maintenance Reserve	131,462
Tuition Reserve	
Impact Aid General Fund Reserve	1,115,372
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	
Reserve for Excess Surplus	
Unemployment Compensation	

Committed Fund Balance:

Reserve for encumbrances	28,371
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Assigned Fund Balance:

Unreserved - Designated for Subsequent Year's Expenditures	33,710
Unreserved - Designated for Impact Aid Reserve	399,500
Unreserved - Designated for Maintenance Reserve	50,000

Unrestricted Fund Balance

362,008

2,816,968

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not recognized on GAAP basis	(189,559)
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,627,409</u>

* Include interest earnings on the unemployment compensation bank account

** Include interest earnings on the flexible benefits bank account

** Represents Unemployment Fund Net Position as of June 30, 2020

**New Hanover Township Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		-		\$ 736	\$ 736
State Sources	49,260	-	49,260	49,260	-
Federal Sources	151,472	660,954	812,426	249,948	562,478
Total Revenues	200,732	660,954	861,686	299,944	563,214
EXPENDITURES:					
Instruction					
Salaries of Teachers	200,732	660,954	861,686	118,472	743,214
Other Salaries for Instruction		-			-
Other Salaries		-			-
Purchased Professional - Educational Services		-		6,716	(6,716)
Purchased Professional and Technical Services		-		5,986	(5,986)
Supplies and Materials		-			-
Other Purchased Services (400-500 series)		-		80,118	(80,118)
General Supplies		-		47,176	(47,176)
Textbooks		-			-
Tuition		-			-
Other Objects		-			-
Total Instruction	200,732	660,954	861,686	258,468	603,218
Support Services					
Salaries of Other Professional Staff		-			-
Salaries of Secretaries & Clerical Assistants		-			-
Other Salaries		-			-
Personal Services - Employee Benefits		-		13,604	(13,604)
Purchased Professional Services		-		1,497	(1,497)
Other Purchased Professional Services		-			-
Purchased Technical Services		-			-
Rentals		-			-
Contracted Services Transportation		-			-
Tuition		-			-
Travel		-			-
Other Purchased Services (400-500 series)		-			-
Supplies & Materials		-		16,634	(16,634)
Scholarships Awarded		-			-
Student Activities		-		406	(406)
Other Objects		-			-
Total Support Services	-	-	-	32,141	(32,141)

**New Hanover Township Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONT'D.)					
Facilities Acquisition and Construction Services:					
Buildings		-			-
Instructional Equipment		-		9,005	(9,005)
Noninstructional Equipment		-			-
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,005</u>	<u>(9,005)</u>
Transfer to Charter School					-
Total Expenditures	<u>200,732</u>	<u>660,954</u>	<u>861,686</u>	<u>299,614</u>	<u>562,072</u>
Other Financing Sources (Uses)					
Transfer in from General Fund		-			-
Transfer Out to Whole School Reform (General Fund)		-			-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>200,732</u>	<u>660,954</u>	<u>861,686</u>	<u>299,614</u>	<u>562,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>330</u>	<u>\$ (330)</u>

***NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PART II***

**New Hanover Township Board of Education
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2021**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 5,515,709	[C-2]	\$ 299,944
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Current year				(4,926)
Prior year				6,054
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(189,559)		
Prior year state aid payment recognized for GAAP purposes in current year		223,137		
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 <u>\$ 5,549,287</u>	 [B-2]	 <u>\$ 301,072</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	5,770,506	[C-2]	299,614
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				-
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 <u>\$ 5,770,506</u>	 [B-2]	 <u>\$ 299,614</u>

***REQUIRED SUPPLEMENTARY INFORMATION
PART III***

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

New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PERS
Last Seven Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.0044%	0.0046%	0.0043%	0.4300%	0.0024%	0.0039%	0.0034%
District's proportionate share of the net pension liability	\$ 825,459	\$1,032,956	\$ 1,276,518	\$ 1,022,155	\$ 860,483	\$ 699,284	\$ 599,962
District's covered employee payroll	\$ 309,658	\$ 402,744	\$ 349,034	\$ 278,302	\$ 270,182	\$ 312,771	\$ 325,940
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	269.17%	256.58%	365.73%	367.29%	318.48%	223.58%	184.07%
Plan fiduciary net position as a percentge of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERS
Last Seven Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 36,346	\$ 39,561	\$ 38,290	\$ 39,882	\$ 24,199	\$ 37,750	\$ 37,564
Contributions in relation to the contractually required contribution	<u>\$ (36,346)</u>	<u>\$ (39,561)</u>	<u>\$ (38,290)</u>	<u>\$ (39,882)</u>	<u>\$ (24,199)</u>	<u>\$ (37,750)</u>	<u>\$ (37,564)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 309,658	\$ 402,744	\$ 349,034	\$ 278,302	\$ 270,182	\$ 312,771	\$ 325,940
Contributions as a percentage of its covered-employee payroll	11.73%	9.82%	10.98%	14.33%	8.96%	12.07%	11.52%

*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

**New Hanover Township Board of Education
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TPAF
Last Seven Fiscal Years***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	0.0132%	0.0138%	0.0144%	0.0165%	0.0172%	0.0167%	0.0165%
State's proportionate share of the net pension liability attributable to the District	\$7,074,208	\$ 8,750,849	\$ 11,358,251	\$ 11,095,951	\$ 10,958,144	\$ 10,274,241	\$ 10,871,014
District's covered employee payroll	\$1,583,511	\$ 1,823,578	\$ 1,756,096	\$ 1,724,404	\$ 1,754,253	\$ 1,842,573	\$ 1,723,508
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	446.74%	479.88%	646.79%	643.47%	624.66%	557.60%	630.75%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM AND
TEACHERS' PENSION AND ANNUITY FUND**

	2019	2020	2021
Total OPEB Liability			
Service Cost	299,602	265,491	285,397
Interest Cost	262,573	238,364	196,763
Differences between Expected and Actual Experiences	(859,977)	(976,804)	2,447,016
Changes of Assumptions	(685,516)	80,815	1,828,225
Member Contributions	5,521	4,932	5,281
Gross Benefit Payments	(159,735)	(166,382)	(174,241)
Net Change in Total OPEB Liability	(1,137,532)	(553,584)	4,588,441
Total OPEB Liability - Beginning	7,111,265	5,973,733	5,420,149
Total OPE Liability - Ending	5,973,733	5,420,149	10,008,590
Covered-Employee Payroll	2,002,706	2,155,344	2,049,448
Total OPEB Liability as a Percentage of Covered Employee Payroll	298.28%	251.47%	488.36%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District should present information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL BASED BUDGET SCHEDULES

NOT APPLICABLE

***SPECIAL REVENUE FUND
DETAIL STATEMENTS***

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

New Hanover Township Board of Education
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

	Title I Part A	Title IV	Title II	Title IV Part A	I.D.E.A. Part B Basic	I.D.E.A. Preschool	Preschool Education Aid	Corona Virus Relief Grant	ESSER Cares Grant	CRRSA ESSER II	Student Activity Fund	Total
REVENUES												
Local Sources											\$ 736	-
State Sources							49,260					736
Federal Sources	81,255		2,135	11,001	80,118			15,996	53,162	6,281		249,948
Total Revenues	81,255	-	2,135	11,001	80,118	-	49,260	15,996	53,162	6,281	736	299,944
EXPENDITURES:												
Instruction:												
Salaries of Teachers	67,651			1,561			49,260					118,472
Other Salaries for Instruction												-
Purchased Professional - Educational Services				435						6,281		6,716
Purchased Professional and Technical Services									5,986			5,986
Other Purchased Services (400-500 series)					80,118							80,118
General Supplies									47,176			47,176
Tuition												-
Other Objects												-
Total instruction	67,651	-	-	1,996	80,118	-	49,260	-	53,162	6,281	-	258,468
Support services:												
Salaries of Other Professional Staff												-
Salaries -Support Staff												-
Other Salaries												-
Personal Services - Employee Benefits	13,604											13,604
Tuition												-
Purchased Professional Services				1,497								1,497
Other Purchased Professional Services												-
Purchased Technical Services												-
Supplies and Materials				638					15,996			16,634
Student Activities											406	406
Travel												-
Other Purchased Services (400-500 series)												-
Other Objects												-
Total support services	13,604	-	2,135	-	-	-	-	15,996	-	-	406	32,141
EXPENDITURES (CONT'D):												
Facilities acquisition and const. serv.:												
Buildings												-
Instructional Equipment				9,005								9,005
Noninstructional Equipment												-
Total facilities acquisition and const. serv.	-	-	-	9,005	-	-	-	-	-	-	-	9,005
Transfer to Charter Schools												-
Total Expenditures	81,255	-	2,135	11,001	80,118	-	49,260	15,996	53,162	6,281	406	299,614
Other Financing Sources (Uses)												
Transfer In from General Fund												-

New Hanover Township Board of Education
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

	Title I Part A	Title IV	Title II	Title IV Part A	I.D.E.A. Part B Basic	I.D.E.A. Preschool	Preschool Education Aid	Corona Virus Relief Grant	ESSER Cares Grant	CRRSA ESSER II	Student Activity Fund	Total
Contribution to Whole School Reform	-	-	-	-	-	-	-	-	-	-	-	-
Total Outflows	81,255	-	2,135	11,001	80,118	-	49,260	15,996	53,162	6,281	406	299,614
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	330.00	330.00
Fund Balance, July 1												
Prior Period Adjustment											<u>75</u> *	
Fund Balance, July 1 (Restated)											<u>75</u>	
Fund Balance, June 30											<u><u>\$ 405</u></u>	

* Represents the student activity fund ending balance as of June 30, 2020 for payable to student groups

***CAPITAL PROJECTS FUND
DETAIL STATEMENTS***

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

NOT APPLICABLE

Exhibit E-2

**New Hanover Township Board of Education
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 49,260	\$ 49,260	\$ -
Total instruction	<u>49,260</u>	<u>49,260</u>	<u>-</u>
Total Expenditures	<u>\$ 49,260</u>	<u>\$ 49,260</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2020-2021 Preschool Education Aid Allocation	\$ 49,260
Add: Actual ECPA Carryover (June 30, 2021)	
Add: Budgeted Transfer from the General Fund 2020-21	
Less: Adjustment to Carryover	
Total Preschool Education Aid Funds Available for 2020-21 Budget	<u>49,260</u>
Less: 2020-21 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>49,260</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	-
Less: 2020-21 Commissioner-approved Transfer to the General Fund	
Add: June 30, 2021 Unexpended Preschool Education Aid Funds	
2020-2021- Actual Carryover - Preschool Education Aid Funds	<u>\$ -</u>
2020-2021 Preschool Education Aid Funds Carryover Budgeted in 2019-2020	<u> </u>

***PROPRIETARY FUNDS
DETAIL STATEMENTS***

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.

Food Services Fund - This fund provides for the operation of food services in all schools within the school district.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND B-6.

***FIDUCIARY FUNDS
DETAIL STATEMENTS***

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

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

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

Exhibit H-1

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Agency		Total
	Student Activity	Payroll	
ASSETS:			
Cash and Cash Equivalents	\$ 405	\$ 99,448	\$ 99,853
Due from General Fund	-	-	-
	-	-	-
Total Assets	\$ 405	\$ 99,448	\$ 99,853
LIABILITIES:			
Payroll Deductions and Withholdings	\$	\$ 10,521	\$ 10,521
Net Payroll		7,354	7,354
Payable to Student Groups	405		405
Summer Payment Plan		81,573	81,573
Due to General Fund			-
	405	99,448	99,853
Total Liabilities	\$ 405	\$ 99,448	\$ 99,853
 Total Net Assets	 \$ -	 \$ -	 \$ -

Exhibit H-3

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Schools</u>	<u>Balance July 1, 2020</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2021</u>
New Hanover Elementary School	\$ <u>75</u>	\$ <u>736</u>	\$ <u>406</u>	\$ <u>405</u>
Total	\$ <u><u>75</u></u>	\$ <u><u>736</u></u>	\$ <u><u>406</u></u>	\$ <u><u>405</u></u>

Exhibit H-4

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
ASSETS:				
Cash and cash equivalents	\$ 102,893	\$ 2,664,718	2,668,163	\$ 99,448
Due from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 102,893</u>	<u>\$ 2,664,718</u>	<u>2,668,163</u>	<u>\$ 99,448</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 3,794	\$ 1,138,246	\$ 1,131,520	\$ 10,521
Summer payment plan	91,234	80,587	90,248	81,573
Net payroll	7,865	1,445,885	1,446,396	7,354
Due to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 102,893</u>	<u>\$ 2,664,718</u>	<u>\$ 2,668,163</u>	<u>\$ 99,448</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, mortgages payable, term loans and obligations under capital leases.

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 COUNTY OF BURLINGTON
 GENERAL LONG-TERM DEBT ACCOUNT GROUP
 STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
 June 30, 2021

Series	Amount of Original Issue	Amount Outstanding July 1, 2020	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2021
Savin Pro 8200S, MP5055SP and MP401SPF Digital Copiers	\$ 28,666	\$ <u>21,828</u>	\$ _____	\$ <u>5,494</u>	\$ <u>16,334</u>
		\$ <u><u>21,828</u></u>	\$ <u><u>0</u></u>	\$ <u><u>5,494</u></u>	\$ <u><u>16,334</u></u>

STATISTICAL SECTION

INTRODUCTION TO THE STATISTICAL SECTION

**New Hanover Township Board of Education
Introduction to the Statistical Section**

<u>Contents</u>	<u>Page</u>
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.	104-110
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	111-117
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	118-121
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	122-123
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	124-128

FINANCIAL TRENDS

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Net Assets by Component,
Last ten fiscal years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in capital assets, net of related debt	\$ 5,967,273	\$ 6,472,119	\$ 6,311,711	\$ 6,200,240	\$ 6,304,829	\$ 6,123,053	\$ 5,961,135	\$ 5,754,779	\$ 5,563,566	\$ 5,432,745
Restricted (Deficit)	1,625,575	3,421,945	4,793,948	3,972,374	4,033,376	3,279,239	2,852,672	2,908,895	3,211,308	1,943,784
Unrestricted (Deficit)	740,468	2,162,567	714,163	173,760	(903,647)	(962,787)	(864,699)	(1,042,071)	(1,454,636)	(311,914)
Total governmental activities net assets	\$ 8,333,316	\$ 12,056,631	\$ 11,819,822	\$ 10,346,374	\$ 9,434,558	\$ 8,439,505	\$ 7,949,108	\$ 7,621,603	\$ 7,320,238	\$ 7,064,615
Business-type activities										
Invested in capital assets, net of related debt	\$ 8,617	\$ 6,034	\$ 10,665	\$ 7,544	\$ 5,582	\$ -	\$ -	\$ 9,386	\$ 8,545	\$ 7,464
Restricted										
Unrestricted	(8,094)	5,031	3,881	2,775	16,164	29,834	37,037	9,969	13,085	21,724
Total business-type activities net assets	\$ 523	\$ 11,065	\$ 14,546	\$ 10,319	\$ 21,746	\$ 29,834	\$ 37,037	\$ 19,355	\$ 21,630	\$ 29,188
District-wide										
Invested in capital assets, net of related debt	\$ 5,975,890	\$ 6,478,153	\$ 6,322,376	\$ 6,207,784	\$ 6,310,411	\$ 6,123,053	\$ 5,961,135	\$ 5,764,165	\$ 5,572,111	\$ 5,440,209
Restricted (Deficit)	1,625,575	3,421,945	4,793,948	3,972,374	4,033,376	3,279,239	2,852,672	2,908,895	3,211,308	1,943,784
Unrestricted (Deficit)	732,374	2,167,598	718,044	176,535	(887,483)	(932,953)	(827,662)	(1,032,102)	(1,441,551)	(290,190)
Total district net assets	\$ 8,333,839	\$ 12,067,696	\$ 11,834,368	\$ 10,356,693	\$ 9,456,304	\$ 8,469,339	\$ 7,986,145	\$ 7,640,958	\$ 7,341,868	\$ 7,093,803

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets/Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
Instruction										
Regular	\$ 1,264,540	\$ 1,966,485	\$ 2,056,945	\$ 2,232,690	\$ 2,371,121	\$ 2,461,432	\$ 2,406,921	\$ 2,314,866	\$ 1,461,179	\$ 1,680,046
Special education	152,841	280,249	274,523	302,044	465,231	530,880	508,797	530,788	258,500	183,108
Other special education										
Vocational										
Other instruction	76,830	114,858	137,260	116,125	150,315	86,446	85,281	93,521	106,595	93,770
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Instruction	1,500,493	1,194,480	1,174,787	1,185,617	1,331,632	1,036,253	768,327	723,451	851,167	1,011,190
Student & instruction related services		402,013	537,148	635,242	588,257	648,074	633,794	643,846	584,922	579,382
General and Business Administrative services	72,726	125,793	173,639	138,115	115,647	118,222	118,252	132,613	108,431	110,719
School Administrative services	451,262	186,943	121,960	166,125	173,683	181,086	179,688	200,536	51,407	77,031
Central Services	168,201	205,894	210,117	236,214	246,067	277,248	223,300	249,020	71,473	90,841
Administrative information technology		225	8,508							
Plant operations and maintenance	240,952	520,827	544,560	535,468	569,338	628,894	625,072	617,525	373,151	414,264
Improvement of instructional staff	7,874									
Pupil transportation	213,534	239,332	261,831	323,897	459,139	550,918	526,723	512,714	374,721	366,175
Unallocated Benefits	997,590								1,542,000	1,423,009
Compensated absences				(67)			(7,815)	3,098	13,271	(24,950)
Compensated absences - unallocated	19,272	4,334	2,825							
Proportionate share of pension plan expense				40,495			25,927	366	(30,470)	(69,323)
Fixed asset adjustment	490,714									
Transfer to Food Service		7,747	15,810							20,000
Unallocated depreciation	144,950								182,230	179,427
Total governmental activities expenses	5,801,779	5,249,180	5,519,913	5,911,965	6,470,430	6,519,453	6,094,267	6,022,344	5,948,577	6,134,689
Business-type activities:										
Food service	114,637	115,850	127,607	125,691	126,970	125,207	125,659	120,712	104,052	123,735
Enrichment Program										
Total business-type activities expense	114,637	115,850	127,607	125,691	126,970	125,207	125,659	120,712	104,052	123,735
Total district expenses	\$ 5,916,416	\$ 5,365,030	\$ 5,647,520	\$ 6,037,656	\$ 6,597,400	\$ 6,644,660	\$ 6,219,926	\$ 6,143,056	\$ 6,052,629	\$ 6,258,424
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)										
Special Education							\$ 32,211	\$ 8,947		\$ 736
Plant Operations and Maintenance										
Pupil transportation										
Central and other support services										
Operating grants and contributions	270,742	2,966,320	601,944	592,690	627,130	723,911	758,164	826,163	1,744,969	1,037,317
Capital grants and contributions										
Total governmental activities program revenues	270,742	2,966,320	601,944	592,690	627,130	723,911	790,375	835,110	1,744,969	1,038,053
Business-type activities:										
Charges for services										
Food service	\$ 44,943	\$ 41,501	\$ 45,546	\$ 49,177	\$ 50,351	\$ 46,005	\$ 61,725	\$ 33,129	\$ 35,966	\$ 16,125
Enrichment Program										
Operating grants and contributions	71,013	81,290	86,627	80,904	85,934	81,164	80,154	76,616	56,766	95,168
Capital grants and contributions					120,491	-				
Total business type activities program revenues	115,956	122,791	132,173	130,081	256,776	127,169	141,879	109,745	92,732	111,293
Total district program revenues	\$ 386,698	\$ 3,089,111	\$ 734,117	\$ 722,771	\$ 883,906	\$ 851,080	\$ 932,254	\$ 944,855	\$ 1,837,701	\$ 1,149,346

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets/Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (5,531,037)	\$ (2,282,860)	\$ (4,917,969)	\$ (5,319,275)	\$ (5,843,300)	\$ (5,795,542)	\$ (5,303,892)	\$ (5,187,234)	\$ (4,203,608)	\$ (5,096,636)
Business-type activities	1,319	6,941	4,566	4,390	129,806	1,962	16,220	(10,967)	(11,320)	(12,442)
Total district-wide net expense	\$ (5,529,718)	\$ (2,275,919)	\$ (4,913,403)	\$ (5,314,885)	\$ (5,713,494)	\$ (5,793,580)	\$ (5,287,672)	\$ (5,198,201)	\$ (4,214,928)	\$ (5,109,078)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 1,576,150	\$ 1,607,673	\$ 1,623,750	\$ 1,623,750	\$ 1,656,225	\$ 1,656,225	\$ 1,689,350	\$ 1,723,138	\$ 1,756,600	\$ 1,792,752
Taxes levied for debt service										
Unrestricted grants and contributions	3,433,804	4,423,713	3,054,046	3,081,993	3,116,399	3,103,195	3,101,505	3,129,837	2,159,793	2,956,417
Payments in lieu of taxes										
Investment earnings	28,236			50	50	50	17,310	28,167		
Miscellaneous income		40,503	13,921	19,405	1,945	44,996	1,898	20,957	19,397	63,137
Cancellation of receivables/payables										
Transfers		(79,502)								
Other Adjustments		17,389	(11,642)	(887,988)	38,486	2,200	(5,636)	(49,085)	(19,952)	28,632
Total governmental activities	5,038,190	6,009,776	4,680,075	3,837,210	4,813,105	4,806,666	4,804,427	4,853,014	3,915,838	4,840,938
Business-type activities:										
Investment earnings										20,000
Miscellaneous Income										20,000
Transfers										
Total business-type activities										
Total district-wide	\$ 5,038,190	\$ 6,009,776	\$ 4,680,075	\$ 3,837,210	\$ 4,813,105	\$ 4,806,666	\$ 4,804,427	\$ 4,853,014	\$ 3,915,838	\$ 4,860,938
Change in Net Assets										
Governmental activities	\$ (492,847)	\$ 3,726,916	\$ (237,894)	\$ (1,482,065)	\$ (1,030,195)	\$ (988,876)	\$ (499,465)	\$ (334,220)	\$ (287,770)	\$ (255,698)
Business-type activities	1,319	6,941	4,566	4,390	129,806	1,962	16,220	(10,967)	(11,320)	7,558
Total district	\$ (491,528)	\$ 3,733,857	\$ (233,328)	\$ (1,477,675)	\$ (900,389)	\$ (986,914)	\$ (483,245)	\$ (345,187)	\$ (299,090)	\$ (248,140)

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved	\$ 81,874	\$ 2,830,102	\$ 4,793,948	\$ 4,219,165	\$ 4,033,376	\$ 3,279,239	\$ 2,639,050	\$ 2,342,879	\$ 2,342,879	\$ 1,943,784
Committed	660,239	-	-	-	-	-	91,507	114,862	80,219	28,371
Assigned	517,390	102,911	23,305	13,092	34,675	60,099	213,622	451,154	428,210	483,210
Unreserved	806,992	2,175,227	805,519	711,709	69,502	69,714	141,301	53,220	(2,680)	167,523
Total general fund	\$ 2,066,495	\$ 5,108,240	\$ 5,622,772	\$ 4,943,966	\$ 4,137,553	\$ 3,409,052	\$ 3,085,480	\$ 2,962,115	\$ 2,848,628	\$ 2,622,888
All Other Governmental Funds										
Reserved, reported in:										
Capital projects fund	\$ -									
Debt service fund										
Committed, reported in:										
Capital projects fund	404,439	591,842								
Unreserved, reported in:										
Special revenue fund	(3,748)	(6,492)	(4,454)	(5,879)	(5,487)	(7,054)	(3,528)	(5,174)	(6,054)	(4,521)
Capital projects fund				217,067						
Debt service fund										
Permanent fund										
Total all other governmental funds	\$ 400,691	\$ 585,350	\$ (4,454)	\$ 211,188	\$ (5,487)	\$ (7,054)	\$ (3,528)	\$ (5,174)	\$ (6,054)	\$ (4,521)

Source: School District Financial Reports

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Local Tax levy	\$ 1,792,752	\$ 1,756,600	\$ 1,723,138	\$ 1,689,350	\$ 1,656,225	\$ 1,656,225	\$ 1,623,750	\$ 1,623,750	\$ 1,607,673	\$ 1,576,150
Tuition Charges			8,947	32,211						
Transportation Fees										
Interest Earnings	13,111		28,167	17,310	50	50	50			
Other Local Revenue	50,026	19,397	20,957	1,898	44,963	1,946	20,154	49,672	40,503	28,236
State sources	3,025,733	3,070,720	3,121,553	3,018,806	2,952,979	2,987,477	2,771,400	2,717,645	5,171,759	2,641,733
Federal sources	667,665	834,042	834,447	840,863	874,127	876,543	902,534	902,594	2,218,274	1,062,813
Total revenue	5,549,287	5,680,759	5,737,209	5,600,438	5,528,344	5,522,241	5,317,888	5,293,661	9,038,209	5,308,932
Expenditures										
Instruction:										
Regular	1,421,578	1,461,179	1,367,399	1,480,614	1,531,147	1,492,166	1,451,857	1,361,038	1,317,372	1,264,540
Special	183,108	258,500	378,055	357,010	410,059	365,591	180,156	162,401	170,368	152,841
Other-Special	93,770	106,595	93,521	85,281	86,466	150,315	116,125	137,260	114,858	
Other										76,830
School-Sponsored/Other Instructional										
Total Instruction	1,698,456	1,826,274	1,838,975	1,922,905	2,027,672	2,008,072	1,748,138	1,660,699	1,602,598	1,494,211
Undistributed:										
Tuition	1,011,190	851,167	723,451	768,327	1,036,253	1,331,632	1,185,617	1,174,787	1,194,480	1,491,509
Student and Instruction Related Services	547,241	584,922	643,846	633,794	648,074	588,257	635,242	537,148	402,013	
Instruction										
Support Services-Students										
Support Services-Instructional Staff										
General Administration	110,719	108,431	108,804	94,641	94,058				108,652	72,726
School Administration	77,031	51,407	47,802	49,825	48,183	45,812	48,808	42,073	106,564	451,262
Other Administration						92,010	116,785	154,019	106,564	451,262
Central Services	90,841	71,473	94,639	87,703	120,818	94,947	105,760	102,329	100,205	168,201
Admin. Information Technology						388		8,508	225	
Operations and Maintenance	414,264	373,151	390,513	397,982	400,225	343,283	318,817	313,304	299,709	240,952
Improvement of Instructional Staff										7,874
Student Transportation	366,175	374,721	486,210	510,304	526,754	435,890	302,567	242,211	220,103	213,534
Business and Other Support Services:										
Employee Benefits										
Other										
Food Services	20,000							15,810	7,747	
Unallocated Benefits	1,423,009	1,542,000	1,497,388	1,438,607	1,350,816	946,875	922,401	829,986	774,870	997,590
On-behalf TPAF Pension Contributions						253,249	193,682	147,800	137,138	
Reimbursed TPAF Social Security										
Contributions						123,187	121,087	109,801	104,395	
Total Undistributed	4,060,470	3,957,272	3,992,653	3,981,183	4,225,181	4,255,530	3,950,766	3,677,776	3,456,101	3,643,648
Capital Outlay:	11,580	11,580	59,258	16,396	12,492	281,727	111,385	30,458	673,604	2,494,379
Total Capital Outlay	11,580	11,580	59,258	16,396	12,492	281,727	111,385	30,458	673,604	2,494,379
Special Schools										
Total General Fund Expenditures	5,770,506	5,795,126	5,890,886	5,920,484	6,265,345	6,545,329	5,810,289	5,368,933	5,732,303	7,632,238

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Special Revenue:										
Federal										
State										
Other										
Total Special Revenue Expenditures	-	-	-	-	-	-	-	-	-	-
Debt Service Expenditures:										
Principal										
Interest and Other Charges										
Total Debt Service Expenditures	-	-	-	-	-	-	-	-	-	-
Total Governmental Fund Expenditures	<u>\$ 5,770,506</u>	<u>\$ 5,795,126</u>	<u>\$ 5,890,886</u>	<u>\$ 5,920,484</u>	<u>\$ 6,265,345</u>	<u>\$ 6,545,329</u>	<u>\$ 5,810,289</u>	<u>\$ 5,368,933</u>	<u>\$ 5,732,303</u>	<u>\$ 7,632,238</u>
Excess (Deficiency) of revenues over (under) expenditures	(221,219)	(114,367)	(153,677)	(320,046)	(737,001)	(1,023,088)	(492,401)	(75,272)	3,305,906	(2,323,306)
Other Financing sources (uses)										
Proceeds from borrowing										
Capital leases (non-budgeted)			28,666				29,237			
Proceeds from refunding										
Payments to escrow agent										
Adjustment										
Accounts Receivable/Payable Canceled									(165,772)	
Transfers in					6,933	75,801	233,685	596,236	2,239,471	(1,814,132)
Transfers out						(75,801)	(233,685)	(596,236)	(2,153,201)	1,814,132
Total other financing sources (uses)	-	-	28,666	-	6,933	-	29,237	-	(79,502)	-
Net change in fund balances	<u>\$ (221,219)</u>	<u>\$ (114,367)</u>	<u>\$ (125,011)</u>	<u>\$ (320,046)</u>	<u>\$ (730,068)</u>	<u>\$ (1,023,088)</u>	<u>\$ (463,164)</u>	<u>\$ (75,272)</u>	<u>\$ 3,226,404</u>	<u>\$ (2,323,306)</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

Exhibit J-5

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING**

<u>Fiscal Year Ended June 30,</u>	<u>Interest Income</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2012	1,415	26,821		28,236
2013	2,480	5,684	32,339	40,503
2014			13,921	13,921
2015	50		19,405	19,455
2016	50		1,946	1,996
2017	50		44,963	45,013
2018	17,310		1,898	19,208
2019	28,167		20,957	49,124
2020			19,397	19,397
2021			50,026	50,026

Source: District Records

REVENUE CAPACITY

Exhibit J-6

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

New Hanover Township

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2012	61,769,123	94,104,225	65.64%
2013	62,503,411	73,105,673	85.50%
2014	62,026,574	70,439,357	88.06%
2015	60,508,768	80,362,839	75.29%
2016	60,841,800	82,638,973	73.62%
2017	60,841,800	89,400,547	68.06%
2018	62,830,700	89,865,026	69.92%
2019	62,830,700	89,865,026	69.92%
2020	64,714,900	90,423,539	71.57%
2021	64,733,200	99,680,989	64.94%

Source: Municipal Tax Assessor

Exhibit J-6a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

Wrightstown

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2012	27,302,250	42,286,107	64.57%
2013	27,124,700	39,175,229	69.24%
2014	26,290,850	39,768,992	66.11%
2015	26,219,850	35,666,236	73.51%
2016	25,947,576	34,712,697	74.75%
2017	25,947,576	38,611,895	67.20%
2018	39,053,950	42,042,780	92.89%
2019	39,053,950	42,042,780	92.89%
2020	38,970,140	44,181,169	88.21%
2021	39,026,150	43,932,827	88.83%

Source: Municipal Tax Assessor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

New Hanover Township

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Township New Hanover	Burlington County	
2012	1.790	0.000	1.790	0.000	0.579	2.369
2013	1.691	0.000	1.691	0.000	0.445	2.136
2014	1.653	0.000	1.653	0.000	0.434	2.087
2015	1.882	0.000	1.882	0.000	0.550	2.432
2016	1.903	0.000	1.903	0.000	0.550	2.453
2017	1.921	0.000	1.921	0.000	0.673	2.594
2018	1.856	0.000	1.856	0.000	0.668	2.524
2019	1.865	0.000	1.865	0.000	0.693	2.558
2020	1.850	0.000	1.850	0.000	0.647	2.497
2021	1.969	0.000	1.969	0.000	0.698	2.667

Source: Municipal Tax Assessor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN FISCAL YEARS
UNAUDITED**

Wrightstown

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Wrightstown	Burlington County	
2012	1.774	0.000	1.774	1.068	0.588	3.430
2013	2.088	0.000	2.088	1.150	0.549	3.787
2014	2.206	0.000	2.206	1.149	0.578	3.933
2015	1.901	0.000	1.901	1.209	0.564	3.674
2016	1.847	0.000	1.847	1.356	0.545	3.748
2017	1.186	0.000	1.186	0.000	1.307	2.493
2018	1.384	0.000	1.384	0.000	1.394	2.778
2019	1.406	0.000	1.406	0.000	1.372	2.778
2020	1.485	0.000	1.485	0.000	1.458	2.943
2021	1.419	0.000	1.419	0.000	1.488	2.907

Source: Municipal Tax Assessor

Note: N/A Not Available

Exhibit J-8

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2020**

New Hanover Township

Block	Lot	Assessed Valuation 2020	As a % of District's Net Assessed Valuation
1	4	\$ 2,365,000	3.65%
2.01	8.03	1,528,800	2.36%
1	7	1,200,000	1.85%
2.01	6.05	658,400	1.02%
1	1	609,400	0.94%
2.02	7.03	578,300	0.89%
2.01	8.06	521,800	0.81%
2.01	8.02	501,000	0.77%
5	7	413,300	0.64%
7	5.12	401,400	0.62%
Total		\$ 8,777,400	13.56%

Source: Municipal Tax Assessor

Exhibit J-8a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF PRINCIPAL TAXPAYERS
FOR YEAR ENDED DECEMBER 31, 2020**

Wrightstown

Block	Lot	Owner	Assessed Valuation 2022	As a % of District's Net Assessed Valuation
501	14	LCL Wrightstown LLC	\$ 2,444,000	6.26%
501	1	Wrightstown Partners	1,950,000	5.00%
601	47	Wrightstown Plaza	1,517,500	3.89%
601	50	Ahmad & Sons	1,500,000	3.84%
501	12	Bell Atlantic	670,000	1.72%
404	5,7	Farago Jozsef	629,300	1.61%
505	7	McDonalds Corp	611,300	1.57%
501	9,10,11	DCM A6	553,200	1.42%
302	33,34,37	Kithira Properties LLC	548,700	1.41%
401	9.01-9.04+11	Harper, Thomas & Man	486,800	1.25%
Total			\$ 10,910,800	27.96%

Source: Municipal Tax Assessor

Exhibit J-9

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Tax Levy Collected
2012	1,576,150	1,515,677	96.16%
2013	1,607,673	1,607,673	100.00%
2014	1,623,750	1,623,750	100.00%
2015	1,623,750	1,623,750	100.00%
2016	1,656,225	1,656,225	100.00%
2017	1,656,225	1,656,225	100.00%
2018	1,689,350	1,689,350	100.00%
2019	1,723,138	1,723,138	100.00%
2020	1,757,600	1,757,600	100.00%
2021	1,792,752	1,792,752	100.00%

Source: Municipal Tax Collector

DEBT CAPACITY

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last ten fiscal years

Fiscal Year Ended June 30,	Governmental Activities					Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Compensated Absences Payable	PERS Payment Deferral				
2012	-	-	-	-	-	-	-	-
2013	-	14,750	97,539	7,938	120,227	0.03%	15	
2014	-	7,670	100,364	7,327	115,361	0.03%	15	
2015	-	26,687	100,297	6,716	133,700	0.03%	19	
2016	-	21,354	106,325	6,105	133,784	0.03%	17	
2017	-	16,021	106,660	5,494	128,175	0.03%	16	
2018	-	10,688	98,845	4,883	114,416	0.03%	15	
2019	-	27,006	101,943	4,272	133,221	0.02%	14	
2020	-	21,828	115,214	3,661	140,703	0.03%	18	
2021	-	16,650	90,504	1,492	108,646	0.02%	14	

Source: School District Financial Reports

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	0	0	0
2021	0	0	0

Source: Data regarding school district population was given by school district officials.

Note: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

Exhibit J-12

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
FOR FISCAL YEAR ENDED JUNE 30, 2021
UNAUDITED**

Net Direct Debt of School District as of June 30, 2021		\$	-
Net Overlapping Debt of School District:			
County of Burlington - Township's share	\$ 190,663,865		
Estimated % applicable	0.300%		
			571,992
Total Direct and Overlapping Bonded Debt as of June 30, 2021		\$	571,992

Source: Assessed value data to estimate applicable percentages provided by the
Burlington County Board of Taxation.-2020 Abstract of Ratables

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2021										
Year	Total	New Hanover	Wrightstown							
2021	143,613,816	99,680,989	43,932,827							
2020	134,604,708	90,423,539	44,181,169							
2019	135,237,874	90,295,078	44,942,796							
Total	<u>413,456,398</u>	<u>280,399,606</u>	<u>133,056,792</u>							
Average Equalized Valuation of Taxable Property	137,818,799	93,466,535	44,352,264							
Debt Limit (3% of Average Equalization Value)	<u>4,134,564</u> *									
Legal Debt Margin	<u>4,134,564</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 3,918,394	\$ 2,447,597	\$ 3,364,244	\$ 3,435,793	\$ 3,613,932	\$ 3,613,932	\$ 3,772,719	\$ 3,806,020	\$ 3,978,500	\$ 4,134,564
Total Net Debt Applicable to Limit										
Legal Debt Margin	<u>3,918,394</u>	<u>2,447,597</u>	<u>3,364,244</u>	<u>3,435,793</u>	<u>3,613,932</u>	<u>3,613,932</u>	<u>3,772,719</u>	<u>3,806,020</u>	<u>3,978,500</u>	<u>4,134,564</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of the Treasury, Division of Taxation. [2020 Abstract of Ratables]

Note: * Limit set by NJSA 18A:24-19 for a 9 through 12 district; other percent limits would be applicable for other district types.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Exhibit J-14

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Year Ended June 30,</u>	<u>Unemployment Rate</u>	<u>Burlington County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2011	10.50%	48,318	7,396
2012	10.85%	51,149	7,940
2013	7.40%	51,638	7,918
2014	9.80%	51,638	8,056
2015	9.30%	53,747	8,078
2016	7.60%	55,227	8,129
2017	6.50%	56,812	7,491
2018	6.00%	59,659	8,033
2019	5.00%	62,120	7,808
2020	8.90%	63,605	8,046

Source: Per Capita Income of County of Burlington from the U.S. Department of Commerce.
School District Population from the U.S. Bureau of the Census, Population Division.

Exhibit J-15

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Principal Employers,
Current Year

2021			
<u>Employer</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
N/A	N/A	N/A	N/A
	-		0.00%

Note: N/A = Not Available

OPERATING INFORMATION

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,
For the Year Ended June 30, 2021**

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	19	19	21	23	24	21	18	20	15	15
Special education	1	1	1	1	1	1	6	6	9	9
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	1	1	1	13	13	13	9	8	8	8
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services	2	2	2	2	2	2	2	2	2	2
Other administrative services										
Business administrative service							2	2	2	2
Central services										
Administrative Information Technology										
Plant operations and maintenance	2	2	2	2	2	2	1	2	3	3
Pupil transportation										
Other support services										
Special Schools										
Food Service										
Child Care										
Total	<u>26</u>	<u>26</u>	<u>28</u>	<u>42</u>	<u>43</u>	<u>41</u>	<u>39</u>	<u>41</u>	<u>40</u>	<u>40</u>

Source: District Personnel Records

N/A - Not Available

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 Operating Statistics,
 Last ten fiscal years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	175	4,863,369	\$ 27,791	#DIV/0!	20	8.75	-	-	175.0	164.0	6.71%	93.71%
2013	163	5,058,699	\$ 31,035	11.67%	20	9.42	-	-	188.4	178.1	7.66%	94.53%
2014	193	4,773,609	\$ 24,734	-13.48%	25	7.72	-	-	188.5	175.6	0.05%	93.14%
2015	184	5,698,904	\$ 30,972	11.97%	25	7.30	-	-	185.7	174.9	-1.47%	94.17%
2016	192	5,852,859	\$ 30,484	-1.58%	28	6.86	-	-	186.8	176.7	0.57%	94.63%
2017	191	5,414,129	\$ 28,346	-7.01%	25.2	7.58	-	-	186.2	175.1	-0.29%	94.01%
2018	202	5,137,546	\$ 25,433	-10.28%	24.4	8.28	-	-	187.9	176.8	0.91%	94.06%
2019	194	5,250,899	\$ 27,066	6.42%	25	7.76	-	-	188.4	175.1	0.27%	92.90%
2020	200	5,308,908	\$ 26,545	-1.93%	25	7.10	-	-	175.3	167.7	-6.96%	95.66%
2021	201	5,216,245	\$ 25,951	-2.23%	25	6.72	-	-	168.2	157.3	-4.05%	93.52%

Source: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
School Building Information
Last Ten Fiscal Years**

District Building

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Elementary Schools:										
New Hanover Elementary (1939) - Additions in 1979 and 2001										
Square Feet	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	168	163	193	184	192	191	202	202	186	201

Number of Schools at June 30, 2020
 Elementary School 1

Source: District Facilities Office
 October 15, Enrollment data

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

Exhibit J-19

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
General Fund
Schedule Of Required Maintenance For School Facilities
Last ten fiscal years

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

	*School Facilities	<u>New Hanover Elementary School</u>
2012		80,823
2013		76,082
2014		92,733
2015		97,269
2016		92,999
2017		99,707
2018		126,164
2019		155,467
2020		122,564
2021		143,532
		<hr/>
Total School Facilities		<u>\$ 1,087,340</u>

Note: *School Facilities as Defined Under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Exhibit J-20

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2021
UNAUDITED**

<u>Type of Policy</u>	<u>Coverage Limits</u>	<u>Deductible</u>
School Package Policy-New Jersey School Board Association Insurance Group		
Blanket Real & Personal Property	\$ 13,947,300	\$ 1,000
Blanket Extra Expenses	\$ 5,000,000	\$ 10,000
Blanket Valuable Papers	\$ 10,000,000	\$ 1,000
Boiler & Machinery-Property Damage	Property Limit	\$ 1,000
Boiler & Machinery-Extra Expense	\$ 10,000,000	\$ 1,000
Environmental Package	\$ 1,000,000	Varies
Cyber Liability	\$2.0M per member/ \$10.0M policy aggregate	
Crisis Management	\$ 1,000,000	
Crime/Employee Dishonesty	Various- From \$25.0K to \$250.0K	Varies: \$500 to \$1,000
Electronic Data Processing Coverage, including mechanical breakdown, flood; earthquake	\$ 300,000	\$ 1,000
General Liability	\$ 16,000,000	
Workers Compensation	Statutory	
Employee Liability--various	\$ 3,000,000	
Student Accident Insurance-Base Policy	\$ 1,000,000	None
Student Accident Insurance-Excess	\$ 5,000,000	\$ 25,000
School Board Liability	Varies--Up to \$16.0K / \$3.0K	\$ 5,000
Surety Bonds: Business Administrator/ Board Secretary	\$ 175,000	
Automobile Liability--Hired & Non-Owned Auto	\$ 16,000,000	

Source: District records.

SINGLE AUDIT SECTION

Certified Public Accountants

485 Morris Avenue
Springfield, New Jersey 07081
(973) 379-6868
FAX (973) 379-6278

MEMBER:

American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

K-1

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

The Honorable President and
Members of the Board of Education
New Hanover Township
County of Burlington
Wrightstown, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of New Hanover Township School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise New Hanover Township School District's basic financial statements, and have issued our report thereon dated February 15, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Hanover 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 New Hanover Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of New Hanover Township School District's internal control.

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

Purpose of this Report

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

This report is intended for the information of the management of the New Hanover Township School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

February 15, 2022

MEMBER:
American Society of Certified Public Accountants
New Jersey Society of Certified Public Accountants

K-2

Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as required by New Jersey OMB Circular 15-08

The Honorable President and
Members of the Board of Education
New Hanover Township Board of Education
County of Burlington
Wrightstown, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the New Hanover Township School District, in the County of Burlington, compliance with the types of compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and 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 federal and state programs for the fiscal year ended June 30, 2021. The New Hanover Township School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New Hanover Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with

auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about New Hanover Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Other Matters

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, in the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our opinion on each major federal and state program is not modified with respect to these matters.

Report on Internal Control Over Compliance

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

by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, 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 New Hanover Township School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.

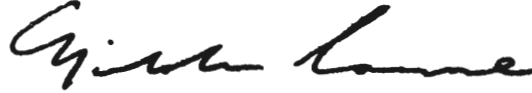
Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance Required by Uniform Guidance and State Financial Assistance

We have audited the financial statements of New Hanover Township School District as of and for the year ended June 30, 2021, and have issued our report thereon dated February 15, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements

134

This report is intended solely for the information of the management of the New Hanover Township School Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone
Licensed Public School Accountant
No. CS-02103
Cannone & Company, CPAs

February 15, 2022

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Carryover Amount/ Walkover	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2021		
					Deferred Revenue	Accounts Receivable	Due to Grantor							Deferred Revenue	(Accounts Receivable)	Due to Grantor
U.S. Department of Defense Passed-through State Department of Education: General Fund: Impact Aid P.L. 103-382	84.041	N/A	07/01/20-06/30/21	\$ 667,665	\$ _____	\$ _____	\$ _____	\$ _____	\$ 667,665	\$ (667,665)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total U.S. Dept. of Education - General Fund									667,665	(667,665)	0	0	0	0	0	
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:																
Food Distribution Program	10.550	N/A	07/01/20-06/30/21	10,993					10,993	(10,993)						
National School Lunch Program	10.555	N/A	07/01/19-06/30/20	39,250		(1,211)			1,211							
National School Lunch Program	10.555	N/A	07/01/20-06/30/21	50,555					44,788	(50,555)				(5,767)		
National School Breakfast Program	10.553	N/A	07/01/19-06/30/20	16,751		(761)			761							
National School Breakfast Program	10.553	N/A	07/01/20-06/30/21	30,878					27,791	(30,878)				(3,087)		
Total U.S. Department of Agriculture					0	(1,972)	0	0	85,544	(92,426)	0	0	0	(8,854)	0	
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:																
Title I - Part A	84.010	NCLB402020	09/01/19- 8/31/20	114,360		(28,773)			28,773							
Title I - Part A	84.010	NCLB402021	09/01/20- 8/31/21	129,170					60,125	(81,255)				(21,130)		
Title II - Part A	84.367	NCLB402021	09/01/20-08/31/21	26,875					1,484	(2,135)				(651)		
Title IV - Part A	84.369	S369A170031	09/01/20-08/31/21	23,739					1,996	(11,001)				(9,005)		
I.D.E.A. Basic 192/193	84.027	FT-5000-21	09/01/20-08/31/21	81,631					80,118	(80,118)						
I.D.E.A. Basic 192/193	84.027	FT-5000-20	09/01/19-08/31/20	76,051		(43,354)			43,354							
Corona Virus Relief Fund Grant	84.425	S425D200027	09/01/20-08/31/21	18,684					15,996	(15,996)						
ESSER Cares Grant	84.425	S425D200027	09/01/20-08/31/21	68,327					54,008	(53,162)			846	(6,281)		
CRRSA-ESSER II	84.425	S425D200027	09/01/20-08/31/21	388,068						(6,281)				(37,067)		
Total U.S. Dept. of Ed. - Special Revenue Fund					0	(72,127)	0	0	285,854	(249,948)	0	0	846	(37,067)	0	
Total Federal Financial Assistance					\$ 0	\$ (74,099)	\$ 0	0	\$ 1,039,063	\$ (1,010,039)	\$ 0	\$ 0	\$ 846	\$ (45,921)	\$ 0	

comparing notes to schedules of financial assistance.

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2020		Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2021			Memo	
				Deferred Revenue (Accounts Receivable)	Due to Grantor						GAAP Budgetary Deferred Revenue	GAAP Budgetary (Accounts Receivable)	Due to Grantor	Budgetary Receivables	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	\$ 161,552	\$ (16,155)	\$	\$	16,155	\$	\$	\$	\$	\$	\$	\$	\$
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	161,552				145,397	(161,552)						(16,155)	161,552
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	152,726	(15,272)			15,272								
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	152,726				137,453	(152,726)						(15,273)	152,726
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	1,920,834	(178,879)			178,879								
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	1,858,261				1,707,935	(1,858,261)						(150,326)	1,858,261
Adjustment Aid	20-495-034-5120-085	7/1/19-6/30/20	50,260	(5,026)			5,026								
Adjustment Aid	19-495-034-5120-085	7/1/18-6/30/19													
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	78,055	(7,805)			7,805								
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	78,055				70,250	(78,055)						(7,805)	78,055
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	6,094	(6,094)			6,094								
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	4,580					(4,580)						(4,580)	4,580
On Behalf - Teacher's Pension and Annuity Fund	21-495-034-5094-002	7/1/20-6/30/21	463,641				463,641	(463,641)						(4,580)	463,641
On Behalf - Teacher's Pension and Annuity Fund - Post Retirement Medical	21-495-034-5094-001	7/1/20-6/30/21	145,298				145,298	(145,298)							145,298
On Behalf - Teacher's Pension and Annuity Fund - Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	319				319	(319)							319
TPAF Social Security Aid	20-495-034-5095-003	7/1/19-6/30/20	133,438	(6,551)			6,551								
TPAF Social Security Aid	21-495-034-5095-003	7/1/20-6/30/21	127,723				121,456	(127,723)						(6,267)	
Total General Fund				\$ (235,782)	\$ 0	\$ 0	\$ 3,027,531	\$ (2,992,155)	\$ 0	\$ 0	\$ 0	\$ (10,847)	\$ 0	\$ (200,406)	\$ 2,864,432
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	60,540	(6,054)			6,054								
Preschool Education Aid	21-495-034-5120-086	7/1/20-6/30/21	49,260				44,334	(49,260)						(4,926)	49,260
Total Special Revenue Fund				\$ (6,054)	\$ 0	\$ 0	\$ 50,388	\$ (49,260)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,926)	\$ 49,260
Enterprise Fund:															
National School Lunch Program (State)	20-100-010-3350-023	7/1/19-6/30/20	765	(20)			20								
National School Lunch Program (State)	21-100-010-3350-023	7/1/20-6/30/21	2,478				2,069	(2,478)						(409)	
Total Enterprise Fund				\$ (20)	\$ 0	\$ 0	\$ 2,089	\$ (2,478)	\$ 0	\$ 0	\$ 0	\$ (409)	\$ 0	\$ 0	\$ 0
Total State Financial Assistance				\$ (241,856)	\$ 0	\$ 0	\$ 3,080,008	\$ (3,043,893)	\$ 0	\$ 0	\$ 0	\$ (11,256)	\$ 0	\$ (205,332)	\$ 2,913,692
Less State Financial Assistance not Subject to New Jersey OMB Circular 04-04															
On Behalf - Teacher's Pension and Annuity Fund	20-495-034-5094-002							(609,258)							
On Behalf - Teacher's Pension and Annuity Fund - Post Retirement Medical	20-495-034-5094-001							(463,641)							
On Behalf - Teacher's Pension and Annuity Fund - Non-Contributory Insurance	20-495-034-5094-004							(145,298)							
								(319)							
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04								\$ (2,434,635)							

See accompanying notes to schedules of financial assistance.

K-5

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
 JUNE 30, 2021

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is \$33,578 and for the Special Revenue Fund is \$1,128. Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 667,665	\$ 3,025,733	\$ 3,693,398
Special Revenue Fund	249,948	50,388	\$ 300,336
Food Service	92,426	2,742	\$ 95,168
Total Financial Assistance	\$ 1,010,039	\$ 3,078,863	\$ 4,088,902

K-5

NEW HANOVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2021

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

(Reference - Section .516 and .518 of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes no

2. Significant Deficiencies identified? _____ yes none reported

Noncompliance material to basic financial statements noted? _____ yes no

Federal Awards

Unmodified

Internal control over major programs:

1. Material weakness(es) identified? _____ yes no

2. Significant Deficiencies identified? _____ yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of Uniform Guidance? _____ yes no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.041	PL 103-382 Federal Impact Aid

Dollar threshold used to distinguish between type A and type B programs: (518) \$750,000

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

NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

State Awards

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

Auditee qualified as low risk auditee? yes no

Internal Control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes no

Identification of major programs:

<u>State Grant Number</u>	<u>Name of State Program</u>
<u>21-495-034-5120-014</u>	<u>Transportation Aid (State Aid Public Cluster)</u>
<u>21-495-034-5120-078</u>	<u>Equalization Aid (State Aid - Public Cluster)</u>
<u>21-495-034-5120-084</u>	<u>Security Aid (State Aid - Public Cluster)</u>
<u>21-495-034-5120-085</u>	<u>Adjustment Aid (State Aid - Public Cluster)</u>
<u>21-495-034-5120-089</u>	<u>Special Education Aid (State Aid - Public Cluster)</u>
<u>21-495-034-5095-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II - Schedule of Financial Statement Findings

Not Applicable

**K-6
Sheet 4**

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Not Applicable

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
COUNTY OF BURLINGTON
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

None

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

The District had no prior year audit findings.