

SHAMONG TOWNSHIP SCHOOL DISTRICT

Shamong, New Jersey
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

SHAMONG TOWNSHIP SCHOOL DISTRICT

SHAMONG, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Shamong Township Board of Education
Finance Department**

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INTRODUCTORY SECTION

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SHAMONG TOWNSHIP SCHOOL DISTRICT

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Superintendent of Schools
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Fax 609-268-1229



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Business Administrator/Board Secretary
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District Web Page:
www.shamongschools.org

February 21, 2022

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

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Shamong Township School District for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Shamong Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions 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 New Jersey OMB’s Circular 15-08 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, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Shamong Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular education as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2020-2021 | 699 | -2.65% |
| 2019-2020 | 718 | -3.36% |
| 2018-2019 | 743 | -2.24% |
| 2017-2018 | 760 | -1.94% |
| 2016-2017 | 775 | -3.85% |
| 2015-2016 | 806 | -3.36% |
| 2014-2015 | 834 | -7.54% |
| 2013-2014 | 902 | -0.66% |
| 2012-2013 | 908 | -1.20% |
| 2011-2012 | 919 | -1.82% |

ECONOMIC CONDITION AND OUTLOOK

Shamong is located within the Pinelands Preservation area and development is highly regulated. The community's population has declined slightly. The community has not experienced an increase in businesses, therefore, there has been an increase in residential property taxes to support the local and regional school system.

Housing development is expected to continue for those areas already designated on the Master Plan. There is a need to attract some business and industry to broaden the tax base and give some relief to the homeowners. Shamong is a stable bedroom community and a desired place to reside. The national economic conditions and state budget cuts have not changed the quality of education in the District. The intended \$1.4 million in state aid cuts that have been approved by the Governor of New Jersey will continue to have a negative impact on our budget and make it difficult to balance providing a quality education with decreased state aid.

MAJOR INITIATIVES

Academic: Major initiatives in the area of instruction included:

- 1) Focus was placed on the improvement and enhancement of virtual instruction through the implementation and effective use of digital tools.
- 2) Awareness of student differences and activities to create a more inclusive culture.

Community:

District Wide – Due to COVID-19 restrictions, in person community events were put on hold and virtual events were held districtwide. Communication was maintained and improved through our use of the district app, Constant Contact texts, emails, and virtual events.

IMS- At the elementary school, a variety of virtual events were held including: Annual Ice Cream Social, Veteran's Day celebration, staff song for motivation, story time and conferences.

IMMS- At the middle school, a variety of virtual events were held including: One Book One Grade , conferences, Talent Show, Battle of the Books and maker space activities.

Academic Support Funding: Academic Support Funding: The Shamong Foundation for Educational Excellence was formed early in the 2002-2003 school year. Several mini-grants were awarded to teachers over the past year to support unique educational projects, including but not limited to; Story Quilt, Room to Move, and Leemos (We Read).

Facilities: The district was approved through their 20-21 budget to continue projects at both buildings, including but not limited to: concrete, carpeting of classrooms, air purifier installation, interior painting, etc. Equipment at the middle school was replaced; truck, side-by-side, server, and compressor in the kitchen. The elementary playground project was completed and a new dishwasher was installed in the elementary school kitchen. Cafeteria tables at each school were replaced, and bi-polar ionization generators were installed at each building.

INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the district management.

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holt McNally & Associates, Inc., Certified Public Accounts & Advisors, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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 Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Christine Vespe
Superintendent

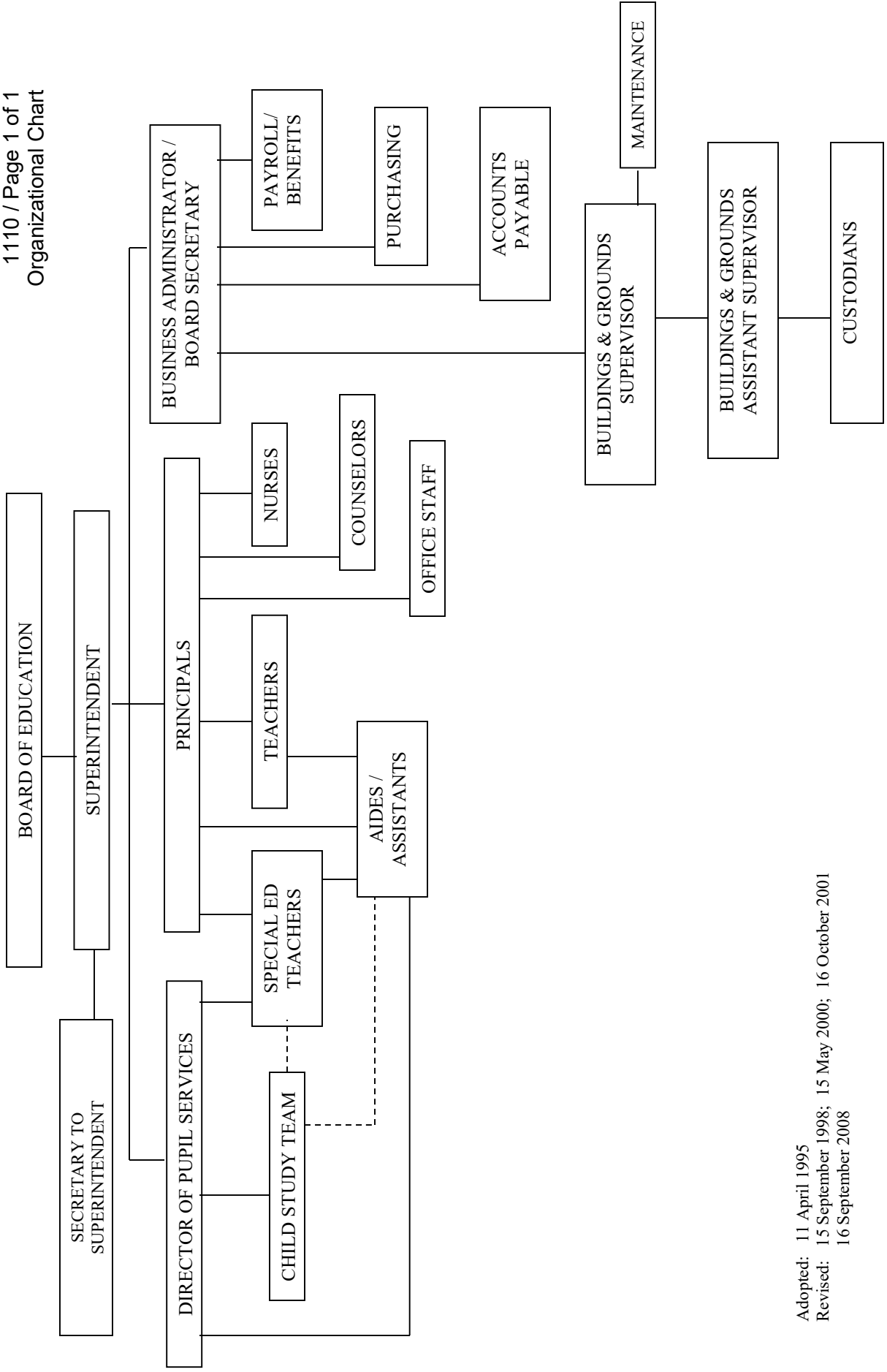


Laura Archer
School Business Administrator/Board Secretary

POLICY

SHAMONG TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart



Adopted: 11 April 1995
Revised: 15 September 1998; 15 May 2000; 16 October 2001
16 September 2008

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SHAMONG TOWNSHIP SCHOOL DISTRICT
295 Indian Mills Road
Shamong, New Jersey 08088

ROSTER OF OFFICIALS

JUNE 30, 2021

| MEMBERS OF THE BOARD OF EDUCATION | TERM EXPIRES |
|-----------------------------------|--------------|
| Melissa Ciliberti, President | 2023 |
| Jeffrey Warner, Vice President | 2022 |
| Keith Hopson | 2022 |
| Anne Ehrke | 2023 |
| Frank Locantore | 2024 |

OTHER OFFICIALS

Christine Vespe, Superintendent

Laura Archer, Business Administrator/Board Secretary

Richard Kaz, Treasurer

Frank P. Cavallo, Jr., Solicitor, Parker McCay

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SHAMONG TOWNSHIP SCHOOL DISTRICT
295 Indian Mills Road
Shamong, New Jersey 08088

CONSULTANTS AND ADVISORS

AUDIT FIRM

David T. McNally, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
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ATTORNEY

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Parker McCay
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OFFICIAL DEPOSITORY

Republic Bank
2 Skeet Road
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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Shamong Township School District, 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 District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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 and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Shamong Township School District's basic financial statements. The introductory section,

combining and individual fund statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Shamong, New Jersey
February 21, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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SHAMONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

As management of the Shamong Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds* and *proprietary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements,

SHAMONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Financial Analysis of the School District

Recall that the Statement of Net Position provides the perspective of the school district as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government's financial position.

The School District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements "Adopted Accounting Pronouncements", the district has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. These resulted in a restatement of the School District's opening net position as of July 1, 2020 in the amount of \$116,725, as indicated in Note 19 to the Financial Statements. Prior years' balances reflected in the MD&A have been updated to reflect this change.

SHAMONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District (continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

| | June 30, <u>2021</u> | June 30, <u>2020</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|----------------------------------|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Current & Other Assets | \$ 6,770,313 | \$ 6,126,530 | \$ 643,783 | 10.5% |
| Capital Assets, Net | <u>10,341,507</u> | <u>10,814,072</u> | <u>(472,565)</u> | -4.4% |
| Total Assets | <u>17,111,820</u> | <u>16,940,602</u> | <u>171,218</u> | 1.0% |
| Deferred Outflow of Resources | <u>541,192</u> | <u>747,961</u> | <u>(206,769)</u> | -27.6% |
| Current and other Liabilities | 286,305 | 748,907 | (462,602) | -61.8% |
| Noncurrent Liabilities | <u>4,313,167</u> | <u>4,968,078</u> | <u>(654,911)</u> | -13.2% |
| Total Liabilities | <u>4,599,472</u> | <u>5,716,985</u> | <u>(1,117,513)</u> | -19.5% |
| Deferred Inflow of Resources | <u>1,736,348</u> | <u>1,842,840</u> | <u>(106,492)</u> | -5.8% |
| Net Position: | | | | |
| Net Investment in Capital Assets | 9,013,746 | 9,157,345 | (143,599) | -1.6% |
| Restricted | 6,269,713 | 5,413,101 | 856,612 | 15.8% |
| Unrestricted (Deficit) | <u>(3,966,267)</u> | <u>(4,441,708)</u> | <u>475,441</u> | -10.7% |
| Total Net Position | <u>\$ 11,317,192</u> | <u>\$ 10,128,738</u> | <u>\$ 1,188,454</u> | 11.7% |

SHAMONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

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

Table 2
Summary of Changes in Net Position

| | June 30, <u>2021</u> | June 30, <u>2020</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|--|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 694 | \$ 112,613 | \$ (111,919) | -99.4% |
| Operating Grants & Contributions | 4,773,190 | 3,141,142 | 1,632,048 | 52.0% |
| General Revenues: | | | | |
| Property Taxes | 9,899,371 | 9,703,606 | 195,765 | 2.0% |
| Federal & State Aid | 3,861,151 | 4,132,111 | (270,960) | -6.6% |
| Other General Revenues | 319,217 | 428,959 | (109,742) | -25.6% |
| Total Revenues | <u>18,853,623</u> | <u>17,518,431</u> | <u>1,335,192</u> | <u>7.6%</u> |
| Function/Program Expenses: | | | | |
| Regular Instruction | 3,932,443 | 4,106,304 | (173,861) | -4.2% |
| Special Education Instruction | 1,510,168 | 1,425,117 | 85,051 | 6.0% |
| Other Instruction | 243,808 | 327,055 | (83,247) | -25.5% |
| Tuition | 294,001 | 228,253 | 65,748 | 28.8% |
| Health Services | 146,311 | 142,711 | 3,600 | 2.5% |
| Student & Instruction Related Services | 997,353 | 1,017,152 | (19,799) | -1.9% |
| Educational Media Services | 287,965 | 276,604 | 11,361 | 4.1% |
| General Administrative | 363,309 | 370,218 | (6,909) | -1.9% |
| School Administrative Services | 487,287 | 486,844 | 443 | 0.1% |
| Central Services | 271,884 | 275,525 | (3,641) | -1.3% |
| Plant Operations & Maintenance | 1,098,487 | 1,183,197 | (84,710) | -7.2% |
| Pupil Transportation | 780,746 | 678,388 | 102,358 | 15.1% |
| Unallocated Benefits | 3,783,662 | 2,511,466 | 1,272,196 | 50.7% |
| On Behalf TPAF Pension and Social | | | | |
| Security Contributions | 2,778,138 | 2,568,493 | 209,645 | 8.2% |
| Interest & Other Charges | 70,147 | 71,577 | (1,430) | -2.0% |
| Unallocated Depreciation | 595,391 | 754,142 | (158,751) | -21.1% |
| Food Service | 140,794 | 199,214 | (58,420) | -29.3% |
| Total Expenses | <u>17,781,894</u> | <u>16,622,260</u> | <u>1,159,634</u> | <u>7.0%</u> |
| Change In Net Position Net | 1,071,729 | 896,171 | 175,558 | 19.6% |
| Position - Beginning- Restated | <u>10,245,463</u> | <u>9,232,567</u> | <u>1,012,896</u> | <u>11.0%</u> |
| Net Position - Ending | <u>\$ 11,317,192</u> | <u>\$ 10,128,738</u> | <u>\$ 1,188,454</u> | <u>11.7%</u> |

SHAMONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$1,207,804 or 11.9%. The primary reasons for the increase was; savings in unallocated benefits due to renewal rates less than budgeted percentage amounts, increase in operating grants & contributions due to a school health insurance fund surplus that was due to the district, and a decrease in special education instruction costs due to budget reduction from outsourcing aides and assistants.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$11,330,196, with an unrestricted deficit balance of \$(3,950,392). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

| | | |
|--|-----------|------------------|
| Unrestricted Net Position (With GASB 68) | \$ | (3,950,392) |
| Add back: PERS Pension Liability | | 2,741,153 |
| Less: Deferred Outflows related to pensions | | (541,192) |
| Add back: Deferred Inflows related to pensions | | <u>1,736,348</u> |
| Unrestricted Net Position (Without GASB 68) | <u>\$</u> | <u>(14,083)</u> |

Business-type Activities

During the fiscal year 2021, the net position of business-type activities decreased by \$19,350 or 304.9%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by (\$13,004).

General Fund Budgeting Highlights

Final budgeted revenues was \$13,721,688, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$159,028.

Final budgeted appropriations was \$14,862,296, which was an increase of \$220,083 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$1,969,633.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$6,751,878 at June 30, 2021, an increase of \$1,102,845 from the prior year.

SHAMONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$6,711,918, an increase of \$1,139,300 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$1,057,113 or 16.57%, to \$6,379,359 at June 30, 2021, compared to an increase of \$1,042,367 in the fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Unexpended balance of unallocated benefits
- Decrease in General Fund expenditures

Special revenue fund – During the current fiscal year, the fund balance of the School District's special revenue fund decreased by \$35, to \$44,312 at June 30, 2021, compared to no change in the fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the special revenue fund is as follows:

- Operations relating to Student Activities.

Capital projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$34,504 or (11%), to \$288,245 at June 30, 2021, compared to no change in the fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the capital projects fund is as follows:

- Transfer of budgeted fund balance to General Fund

Debt service fund – During the current fiscal year, the fund balance of the School District's debt service fund increased by \$1, to \$2 at June 30, 2021, compared to no change in the fund balance in the prior fiscal year.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$19,350 or (305%), to (\$13,004) at June 30, 2021, compared to a decrease of \$36,387 in the net position in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- Decrease in operating revenues due to COVID-19.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$10,341,507 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$472,565. This decrease is primarily due to the current year disposals and transfers. Table 4 shows fiscal 2021 balances compared to 2020.

SHAMONG TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Capital Assets (continued)

Table 4
Summary of Capital Assets

| <u>Capital Asset (Net of Depreciation):</u> | June 30, <u>2021</u> | June 30, <u>2020</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|---|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Land | \$ 1,068,766 | \$ 1,068,766 | \$ - | 0.0% |
| Construction in Progress | - | 1,424,762 | (1,424,762) | -100.0% |
| Building and Improvements | 7,756,093 | 6,880,189 | 875,904 | 12.7% |
| Equipment | 1,516,648 | 1,440,355 | 76,293 | 5.3% |
| | <u>\$ 10,341,507</u> | <u>\$ 10,814,072</u> | <u>\$ (472,565)</u> | -4.4% |

Depreciation expense for the year was \$597,827. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$844,000, which is a decrease of \$150,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District's Future

It is the opinion of the Superintendent and School Business Administrator that the Shamong Township School District is presently in good financial condition. However, the major concern of the District is state aid which has been and will continue to decrease over the next years. The School District is proud of its community support, the support of the Home & School Association and the Shamong Foundation for Educational Excellence.

Shamong Township is primarily a rural, residential community with very few commercial ratables; thus it becomes the responsibility of homeowners to contribute the majority of the tax burden. The increase in the School District's operating budget mostly due to contractual salaries, capital improvements, and special education and the lack of adequate state funding and federal revenues will inevitably result in increased property taxes.

In conclusion, the Shamong Township School District has committed itself to financial excellence for many years. The School District's system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future, primarily the decrease in state aid due to S2 Legislation.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mrs. Laura Archer, School Business Administrator/Board Secretary, at the Shamong Board of Education, 295 Indian Mills Road, Shamong, New Jersey 08088.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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SHAMONG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

| ASSETS | GOVERNMENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTALS |
|--|----------------------------|---------------------------------|----------------------|
| Cash & Cash Equivalents | \$ 2,384,265 | \$ - | \$ 2,384,265 |
| Restricted Cash & Cash Equivalents | 4,232,154 | - | 4,232,154 |
| Receivables, Net (Note 4) | 141,114 | 7,616 | 148,730 |
| Internal Balances | (2,545) | 2,545 | - |
| Inventory | - | 5,164 | 5,164 |
| Capital Assets, Net (Note 5) | | | |
| Non-Depreciable | 1,068,766 | - | 1,068,766 |
| Depreciable | 9,269,870 | 2,871 | 9,272,741 |
| Total Assets | 17,093,624 | 18,196 | 17,111,820 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows Related to Pensions (Note 8) | 541,192 | - | 541,192 |
| Total Deferred Outflows of Resources | 541,192 | - | 541,192 |
| Total Assets and Deferred Outflows of Resources | 17,634,816 | 18,196 | 17,653,012 |
| LIABILITIES | | | |
| Cash Deficit | - | 31,200 | 31,200 |
| Accrued Interest | 13,454 | - | 13,454 |
| Accounts Payable | 43,070 | - | 43,070 |
| Due to Other Governments | 198,581 | - | 198,581 |
| Noncurrent Liabilities (Note 7): | | | |
| Due Within One Year | 335,256 | - | 335,256 |
| Due Beyond One Year | 3,977,911 | - | 3,977,911 |
| Total Liabilities | 4,568,272 | 31,200 | 4,599,472 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows Related to Pensions (Note 8) | 1,736,348 | - | 1,736,348 |
| Total Deferred Inflows of Resources | 1,736,348 | - | 1,736,348 |
| Total Liabilities and Deferred Inflows of Resources | 6,304,620 | 31,200 | 6,335,820 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 9,010,875 | 2,871 | 9,013,746 |
| Restricted For: | | | |
| Capital Projects | 4,292,419 | - | 4,292,419 |
| Debt Service | 2 | - | 2 |
| Maintenance Reserve | 145,014 | - | 145,014 |
| Unemployment Compensation | 82,966 | - | 82,966 |
| Student Activities | 44,312 | - | 44,312 |
| Excess Surplus | 1,705,000 | - | 1,705,000 |
| Unrestricted | (3,950,392) | (15,875) | (3,966,267) |
| Total Net Position | \$ 11,330,196 | \$ (13,004) | \$ 11,317,192 |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | | |
|---|----------------------|---------------|--|----------------------|--------------------|----------------------|
| | EXPENSES | CHARGES | OPERATING | GOVERNMENTAL | BUSINESS- TYPE | TOTALS |
| | | FOR | GRANTS & | | | |
| | | SERVICES | CONTRIBUTIONS | | | |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Instruction - Regular Programs | \$ 3,932,443 | \$ - | \$ - | \$ (3,932,443) | \$ - | \$ (3,932,443) |
| Special Education | 1,510,168 | - | 340,848 | (1,169,320) | - | (1,169,320) |
| Other Special Instruction | 206,692 | - | - | (206,692) | - | (206,692) |
| Other Instruction | 37,116 | - | - | (37,116) | - | (37,116) |
| Support Services: | | | | | | |
| Tuition | 294,001 | - | - | (294,001) | - | (294,001) |
| Health Services | 146,311 | - | 42,196 | (104,115) | - | (104,115) |
| Student & Instruction Related Services | 997,353 | - | - | (997,353) | - | (997,353) |
| Educational Media Services/School Library | 287,965 | - | - | (287,965) | - | (287,965) |
| General Administrative Services | 363,309 | - | - | (363,309) | - | (363,309) |
| School Administrative Services | 487,287 | - | - | (487,287) | - | (487,287) |
| Central Services | 271,884 | - | - | (271,884) | - | (271,884) |
| Plant Operations & Maintenance | 1,098,487 | - | - | (1,098,487) | - | (1,098,487) |
| Pupil Transportation | 780,746 | - | - | (780,746) | - | (780,746) |
| Employee Benefits | 3,783,662 | - | 1,470,800 | (2,312,862) | - | (2,312,862) |
| On Behalf TPAF Pension and Social Security Contributions | 2,778,138 | - | 2,778,138 | - | - | - |
| Interest and Charges on Long-Term Debt | 70,147 | - | 34,734 | (35,413) | - | (35,413) |
| Unallocated Depreciation | 595,391 | - | - | (595,391) | - | (595,391) |
| Total Governmental Activities | 17,641,100 | - | 4,666,716 | (12,974,384) | - | (12,974,384) |
| Business-Type Activities: | | | | | | |
| Food Service | 140,794 | 694 | 106,474 | - | (33,626) | (33,626) |
| Total Business-Type Activities | 140,794 | 694 | 106,474 | - | (33,626) | (33,626) |
| Total Primary Government | \$ 17,781,894 | \$ 694 | \$ 4,773,190 | (12,974,384) | (33,626) | (13,008,010) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, Levied for General Purposes, Net | | | | 9,899,371 | - | 9,899,371 |
| Federal & State Aid Unrestricted | | | | 3,861,151 | - | 3,861,151 |
| Tuition Received | | | | 89,915 | - | 89,915 |
| Miscellaneous Income | | | | 212,498 | 14,276 | 226,774 |
| Capital Asset Adjustment | | | | 2,528 | - | 2,528 |
| Total General Revenues, Special Items, Extraordinary Items & Transfers | | | | 14,065,463 | 14,276 | 14,079,739 |
| Change In Net Position | | | | 1,091,079 | (19,350) | 1,071,729 |
| Net Position - Beginning (Restated) | | | | 10,239,117 | 6,346 | 10,245,463 |
| Net Position - Ending | | | | \$ 11,330,196 | \$ (13,004) | \$ 11,317,192 |

B. Fund Financial Statements

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Governmental Funds

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

| ASSETS | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS |
|---|---------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| Cash & Cash Equivalents | \$ 2,041,521 | \$ 1,369 | \$ 341,373 | \$ 2 | \$ 2,384,265 |
| Accounts Receivable: | | | | | |
| Federal | - | 32,379 | - | - | 32,379 |
| State | 91,798 | - | - | - | 91,798 |
| Other | 6,373 | 10,564 | - | - | 16,937 |
| Interfund | 53,128 | 13,566 | - | - | 66,694 |
| Restricted Cash & Cash Equivalents | 4,232,154 | - | - | - | 4,232,154 |
| Total Assets | \$ 6,424,974 | \$ 57,878 | \$ 341,373 | \$ 2 | \$ 6,824,227 |
| LIABILITIES & FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Payroll Deduction and Withholdings Payable | \$ 29,504 | \$ - | \$ - | \$ - | \$ 29,504 |
| Interfund Payable | 16,111 | - | 53,128 | - | 69,239 |
| Accounts Payable | - | 13,566 | - | - | 13,566 |
| Total Liabilities | 45,615 | 13,566 | 53,128 | - | 112,309 |
| Fund Balances: | | | | | |
| Restricted: | | | | | |
| Maintenance Reserve | 145,014 | - | - | - | 145,014 |
| Capital Reserve | 4,004,174 | - | - | - | 4,004,174 |
| Capital Projects | - | - | 288,245 | - | 288,245 |
| Debt Service | - | - | - | 2 | 2 |
| Unemployment Compensation | 82,966 | - | - | - | 82,966 |
| Student Activities | - | 44,312 | - | - | 44,312 |
| Excess Surplus - Current Year | 850,000 | - | - | - | 850,000 |
| Excess Surplus Designated for Subsequent Year's Expenditures | 855,000 | - | - | - | 855,000 |
| Assigned: | | | | | |
| Designated for Subsequent Year's Expenditures | 45,754 | - | - | - | 45,754 |
| Other Purposes | 231,390 | - | - | - | 231,390 |
| Unassigned | 165,061 | - | - | - | 165,061 |
| Total Fund Balances | 6,379,359 | 44,312 | 288,245 | 2 | 6,711,918 |
| Total Liabilities & Fund Balances | \$ 6,424,974 | \$ 57,878 | \$ 341,373 | \$ 2 | |

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

| | |
|---|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,450,522 and the accumulated depreciation is \$14,111,886. | 10,338,636 |
| Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds. | (1,195,156) |
| Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payables are not due in the period. | (13,454) |
| Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. | (198,581) |
| Long-term liabilities, including net pension liability, bonds payable, bond premium, capital leases, post retirement liability and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. | (4,313,167) |
| Net Position of Governmental Activities | \$ 11,330,196 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTALS |
|--|-----------------|----------------------------|-----------------------------|-------------------------|--------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 9,751,708 | \$ - | \$ - | \$ 147,663 | \$ 9,899,371 |
| Tuition | 89,915 | - | - | - | 89,915 |
| Miscellaneous | 204,588 | 130,353 | 7,910 | - | 342,851 |
| Total Local Sources | 10,046,211 | 130,353 | 7,910 | 147,663 | 10,332,137 |
| State Sources | 6,547,393 | - | - | 34,734 | 6,582,127 |
| Federal Sources | - | 392,192 | - | - | 392,192 |
| Total Revenues | 16,593,604 | 522,545 | 7,910 | 182,397 | 17,306,456 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction - Regular Programs | 3,932,443 | - | - | - | 3,932,443 |
| Special Education | 1,169,320 | 340,848 | - | - | 1,510,168 |
| Other Special Instruction | 206,692 | - | - | - | 206,692 |
| Other Instruction | 37,116 | - | - | - | 37,116 |
| Support Services: | | | | | |
| Tuition | 294,001 | - | - | - | 294,001 |
| Attendance and Social Work Services | 34,223 | - | - | - | 34,223 |
| Health Services | 146,311 | - | - | - | 146,311 |
| Student & Instruction Related Services | 920,899 | 42,231 | - | - | 963,130 |
| Educational Media Services/School Library | 287,965 | - | - | - | 287,965 |
| General Administrative Services | 363,309 | - | - | - | 363,309 |
| School Administrative Services | 487,287 | - | - | - | 487,287 |
| Central Services | 271,884 | - | - | - | 271,884 |
| Plant Operations & Maintenance | 1,266,969 | - | - | - | 1,266,969 |
| Pupil Transportation | 780,746 | - | - | - | 780,746 |
| Employee Benefits | 5,210,077 | 16,767 | - | - | 5,226,844 |
| Capital Outlay | 169,663 | 122,734 | - | - | 292,397 |
| Debt Service: | | | | | |
| Principal | - | - | - | 150,000 | 150,000 |
| Interest & Other Charges | - | - | - | 32,396 | 32,396 |
| Total Expenditures | 15,578,905 | 522,580 | - | 182,396 | 16,283,881 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | 1,014,699 | (35) | 7,910 | 1 | 1,022,575 |
| Other Financing Sources/(Uses): | | | | | |
| Operating Transfers In - | 42,414 | - | - | - | 42,414 |
| Operating Transfers (Out) - | - | - | (42,414) | - | (42,414) |
| Total Other Financing Sources/(Uses) | 42,414 | - | (42,414) | - | - |
| Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses | 1,057,113 | (35) | (34,504) | 1 | 1,022,575 |
| Fund Balances July 1, as restated | 5,322,246 | 44,347 | 322,749 | 1 | 5,689,343 |
| Fund Balances June 30 | \$ 6,379,359 | \$ 44,312 | \$ 288,245 | \$ 2 | \$ 6,711,918 |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 1,022,575

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 | \$ (595,391) | |
| Capital Asset Adjustment | 2,528 | |
| Capital Outlays | <u>122,734</u> | (470,129) |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 150,000

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities. 247,142

Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.

| | | |
|-------------------------------|-----------------|---------|
| Accrued Interest Prior Year | 12,149 | |
| Accrued Interest Current Year | <u>(13,454)</u> | (1,305) |

In the statement of activities, the reduction for Capital Leases should not be an expenditure. Thus the change in Net Position will differ from the change in fund balance by the cost of the asset removed.

| | | |
|---------------------|--|---------|
| Retirement of Lease | | 176,273 |
|---------------------|--|---------|

Deferred charges on Refunding of Debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

| | | |
|------------------------------|--|-------|
| Amortization of Bond Premium | | 2,692 |
|------------------------------|--|-------|

Increase of compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

| | | |
|--------------|----------------|----------|
| Current Year | (244,253) | |
| Prior Year | <u>208,084</u> | (36,169) |

Change in Net Position of Governmental Activities \$ 1,091,079

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

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Proprietary Funds

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021**

| ASSETS | FOOD SERVICE |
|----------------------------------|---------------------------------|
| Current Assets: | |
| Accounts Receivable: | |
| State | \$ 658 |
| Federal | 6,958 |
| Interfund | 2,545 |
| Inventories | <u>5,164</u> |
| Total Current Assets | <u>15,325</u> |
| Noncurrent Assets: | |
| Furniture, Machinery & Equipment | 63,622 |
| Less: Accumulated Depreciation | <u>(60,751)</u> |
| Total Capital Assets | <u>2,871</u> |
| Total Assets | <u>18,196</u> |
| LIABILITIES | |
| Cash Deficit | <u>31,200</u> |
| Total Liabilities | <u>31,200</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 2,871 |
| Unrestricted | <u>(15,875)</u> |
| Total Net Position | <u><u>\$ (13,004)</u></u> |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | FOOD SERVICE FUND |
|--|-------------------------|
| Operating Revenues: | |
| Local Sources: | |
| Daily Sales - Nonreimbursable Programs | \$ 694 |
| Miscellaneous | 14,276 |
| | 14,970 |
| Total Operating Revenue | 14,970 |
| Operating Expenses: | |
| Cost of Sales - Reimbursable Programs | 51,332 |
| Cost of Sales - Nonreimbursable Programs | 519 |
| Salaries & Benefits | 55,482 |
| Miscellaneous Expenses | 6,975 |
| Management Fee | 21,522 |
| Supplies and Materials | 2,528 |
| Depreciation | 2,436 |
| | 140,794 |
| Total Operating Expenses | 140,794 |
| Operating Income/(Loss) | (125,824) |
| Nonoperating Revenues (Expenses): | |
| State Sources: | |
| State School Lunch Program | 3,158 |
| Federal Sources: | |
| National School Lunch Program | 63,141 |
| Healthy Hunger-Free Kids Act | 1,259 |
| National School Breakfast Program | 24,245 |
| Food Distribution Program | 14,671 |
| | 106,474 |
| Total Nonoperating Revenues/(Expenses) | 106,474 |
| Change in Net Position | (19,350) |
| Total Net Position - Beginning | 6,346 |
| Total Net Position - Ending | \$ (13,004) |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| | FOOD SERVICE FUND |
|--|----------------------------|
| Cash Flows From Operating Activities: | |
| Receipts from Customers | \$ 14,970 |
| Payments to Employees | (55,482) |
| Payments to Suppliers | <u>(76,570)</u> |
| Net Cash Provided/(Used) by Operating Activities | <u>(117,082)</u> |
| Cash Flows From Noncapital Financing Activities: | |
| State Sources | 3,321 |
| Federal Sources | <u>107,174</u> |
| Net Cash Provided/(Used) by Noncapital Financing Activities | <u>110,495</u> |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (6,587) |
| Balances - Beginning of Year | <u>(24,613)</u> |
| Balances - End of Year | <u><u>\$ (31,200)</u></u> |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | |
| Operating Income/(Loss) | \$ (125,824) |
| Adjustments to Reconcile Operating Income/(Loss) to | |
| Net Cash Provided/(Used For) Operating Activities: | |
| Depreciation & Net Amortization | 2,436 |
| (Increase)/Decrease in Inventories | <u>6,306</u> |
| Net Cash Provided/(Used) by Operating Activities | <u><u>\$ (117,082)</u></u> |

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

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SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

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SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Shamong Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Shamong Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through eighth at its three schools. The School District has an approximate enrollment at June 30, 2021 of 699 students.

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

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

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The School District does not maintain any internal service funds.

The School District reports the following major governmental funds:

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

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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).

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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.

The School District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the School District’s cafeteria operations.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

Additionally, the School 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

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

| | |
|----------------------|---------------|
| Equipment & Vehicles | 3 – 20 Years |
| Buildings | 30 – 50 Years |
| Improvements | 10 – 50 Years |
| Software | 5 – 7 Years |

Compensated Absences

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

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

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

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies governmental fund balances as follows:

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District’s financial statements for year end June 30, 2021 with a prior period restatement to beginning net position. See Note 19 for further details.

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District's bank balance of \$6,728,269 was exposed to custodial credit risk as follows:

| | |
|--------------------------------|---------------------|
| Insured under FDIC and GUDPA | \$ 6,554,003 |
| Uninsured and Uncollateralized | <u>174,266</u> |
| | <u>\$ 6,728,269</u> |

Investments

The School District had no investments at June 30, 2021.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the Shamong Township School District by inclusion of \$100,000 in the original 1995-1996 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued):

District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *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, 2020 to June 30, 2021 fiscal year is as follows:

| | |
|---------------------------------|---------------------|
| Beginning Balance, July 1, 2020 | \$ 3,279,351 |
| Increased by: | |
| Interest Earnings | 150 |
| Deposits approved by Board | <u>724,673</u> |
| Ending Balance, June 30, 2021 | <u>\$ 4,004,174</u> |

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects at June 30, 2021 is \$17,674,055. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the School District’s Long Rang Facilities Plan.

Maintenance Reserve

Shamong Township School District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

| | |
|---------------------------------|-------------------|
| Beginning Balance, July 1, 2020 | \$ 70,000 |
| Increased by: | |
| Interest Earnings | 14 |
| Deposits approved by Board | <u>75,000</u> |
| Ending Balance, June 30, 2021 | <u>\$ 145,014</u> |

Emergency Reserve

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30.

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts (continued):

Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent. GASBS No. 54 requires the further categorization of the emergency reserve account balance on the *Governmental Funds Balance Sheet* (Exhibit B-1). The emergency reserve has significant externally imposed restrictions on its withdrawal and should be categorized as “Restricted” fund balance. The same categorization is applicable to the *General Fund Budgetary Comparison Schedule* (Exhibit C-1)

| | | |
|--|----|--------------------|
| Beginning Balance, July 1, 2020 | \$ | 96,000 |
| Decreased by: | | |
| Budget Withdrawals | | <u>(96,000)</u> |
| Ending Balance, June 30, 2021 and 2020 | \$ | <u> -</u> |

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District’s individual major funds, in the aggregate, are as follows:

| <u>Description</u> | <u>Governmental Funds</u> | | | <u>Proprietary</u> | <u>Total</u> |
|--------------------|---------------------------|------------------|---------------------|---------------------|----------------------|
| | <u>General</u> | <u>Special</u> | <u>Total</u> | <u>Funds</u> | <u>Total</u> |
| | <u>Fund</u> | <u>Revenue</u> | <u>Governmental</u> | <u>Food Service</u> | <u>Business-Type</u> |
| | <u>Fund</u> | <u>Fund</u> | <u>Activities</u> | <u>Fund</u> | <u>Activities</u> |
| Federal Awards | \$ - | \$ 32,379 | \$ 32,379 | \$ 6,958 | \$ 6,958 |
| State Awards | 91,798 | - | 91,798 | 658 | 658 |
| Other | 6,373 | 10,564 | 16,937 | - | - |
| Total | <u>\$ 98,171</u> | <u>\$ 42,943</u> | <u>\$ 141,114</u> | <u>\$ 7,616</u> | <u>\$ 7,616</u> |

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

| | Balance July 1, <u>2020</u> | <u>Additions</u> | <u>Retirements and Transfers</u> | Balance June 30, <u>2021</u> |
|---|-----------------------------------|---------------------|--------------------------------------|------------------------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,068,766 | \$ - | \$ - | \$ 1,068,766 |
| Construction in Progress | 1,424,762 | - | (1,424,762) | - |
| Total Capital Assets not being depreciated | <u>2,493,528</u> | - | <u>(1,424,762)</u> | <u>1,068,766</u> |
| Capital Assets being depreciated: | | | | |
| Buildings and Improvements | 19,601,570 | 99,304 | 1,424,762 | 21,125,636 |
| Equipment | 2,230,162 | 181,358 | (155,400) | 2,256,120 |
| Total Capital Assets being depreciated | <u>21,831,732</u> | <u>280,662</u> | <u>1,269,362</u> | <u>23,381,756</u> |
| Less: Accumulated Depreciation: | | | | |
| Buildings and Improvements | (12,721,381) | (651,033) | - | (13,372,414) |
| Equipment | (795,114) | (99,758) | 155,400 | (739,472) |
| Total Accumulated Depreciation | <u>(13,516,495)</u> | <u>(750,791)</u> | <u>155,400</u> | <u>(14,111,886)</u> |
| Total Capital Assets being depreciated, net | <u>8,315,237</u> | <u>(470,129)</u> | <u>1,424,762</u> | <u>9,269,870</u> |
| Total Governmental Activities Capital Assets, net | <u>\$ 10,808,765</u> | <u>\$ (470,129)</u> | <u>\$ -</u> | <u>\$ 10,338,636</u> |

| | Balance July 1, <u>2020</u> | <u>Additions</u> | <u>Retirements and Transfers</u> | Balance June 30, <u>2021</u> |
|--|-----------------------------------|-------------------|--------------------------------------|------------------------------------|
| Business-Type Activities: | | | | |
| Equipment | \$ 63,622 | \$ - | \$ - | \$ 63,622 |
| | <u>63,622</u> | - | - | <u>63,622</u> |
| Less: Accumulated Depreciation: | | | | |
| Equipment | (58,315) | (2,436) | - | (60,751) |
| | <u>(58,315)</u> | <u>(2,436)</u> | - | <u>(60,751)</u> |
| Total Business-Type Activities Capital Assets, net | <u>\$ 5,307</u> | <u>\$ (2,436)</u> | <u>\$ -</u> | <u>\$ 2,871</u> |

Depreciation expense was not allocated among the various functions/programs of the School District.

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-----------------------|----------------------------------|-------------------------------|
| General Fund | \$ 53,128 | \$ 16,111 |
| Special Revenue Fund | 13,566 | - |
| Capital Projects Fund | - | 53,128 |
| Food Service Fund | 2,545 | - |
| | <u>\$ 69,239</u> | <u>\$ 69,239</u> |

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Interfund transfers during the year were as follows:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------|---------------------|----------------------|
| General Fund | \$ 42,414 | \$ - |
| Capital Projects Fund | - | 42,414 |
| | <u>\$ 42,414</u> | <u>\$ 42,414</u> |

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

| | <u>Balance July 1, 2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2021</u> | <u>Balance Due Within One Year</u> |
|---------------------------|---------------------------------|------------------|-------------------|----------------------------------|--|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 994,000 | \$ - | \$ 150,000 | \$ 844,000 | \$ 155,000 |
| Capital Leases | 647,470 | - | 176,273 | 471,197 | 180,256 |
| Unamortized Bond Premiums | 15,257 | - | 2,693 | 12,564 | - |
| Compensated Absences | 208,084 | 36,169 | - | 244,253 | - |
| Net Pension Liability | 3,103,267 | - | 362,114 | 2,741,153 | - |
| | <u>\$ 4,968,078</u> | <u>\$ 36,169</u> | <u>\$ 691,080</u> | <u>\$ 4,313,167</u> | <u>\$ 335,256</u> |

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Long-Term Obligations (continued):

School District are general obligation bonds. At June 30, 2021, bonds payable consisted of the following individual issues:

On August 26, 2010, the School District issued \$1,999,000 of School Bonds with interest rates ranging from 3.125% to 3.500%. The bonds mature on February 15, 2026.

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

| Fiscal Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|------------------|-----------------|--------------|
| 2022 | \$ 155,000 | \$ 25,287 | \$ 180,287 |
| 2023 | 160,000 | 20,365 | 180,365 |
| 2024 | 170,000 | 15,103 | 185,103 |
| 2025 | 180,000 | 9,303 | 189,303 |
| 2026 | 179,000 | 3,133 | 182,133 |
| | <hr/> | | |
| | \$ 844,000 | \$ 73,191 | \$ 917,191 |
| | <hr/> | | |

Bonds Authorized But Not Issued:

As of June 30, 2021, the School District had no authorized but not issued bonds.

Capital Lease Payable

The School District is leasing various capital equipment totaling \$768,000 with lease terms ranging from 4 to 5 years. At June 30, 2021, capital lease payable consisted of the following individual issues:

On November 29, 2017, the School District entered into a lease agreement for capital equipment in the amount of \$100,000 with an interest rate of 2.75%. The term of the lease is four years.

On December 1, 2018, the School District entered into a lease agreement for technology equipment in the amount of \$168,000 with an interest rate of 3.75%. The term of the lease is five years.

On February 25, 2020, the School District entered into a lease agreement for capital equipment in the amount of \$500,000 with an interest rate of 1.967%. The term of the lease is four years.

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2021 are:

| <u>June 30,</u> | |
|---|-------------------------|
| 2022 | \$ 189,885 |
| 2023 | 167,731 |
| 2024 | <hr/> 130,525 |
| Total Minimum Lease Payments | 488,141 |
| Less: Amount Representing Interest | <hr/> (16,944) |
| Present Value of Minimum Lease Payments | <hr/> <u>\$ 471,197</u> |

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |
| 4 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 5 | Members who were eligible to enroll on or after June 28, 2011 |

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

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

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$2,741,153 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.01681%, which was a decrease of 0.00041% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of (\$63,256) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between Expected and Actual Experience | \$ 49,912 | \$ 9,694 |
| Changes of Assumptions | 88,926 | 1,147,747 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 93,695 | - |
| Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions | 110,078 | 578,907 |
| School District Contributions Subsequent to Measurement Date | 198,581 | - |
| | <u>\$ 541,192</u> | <u>\$ 1,736,348</u> |

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

\$198,581 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending <u>June 30,</u> | <u>Amount</u> |
|--|-----------------------|
| 2021 | \$ (526,863) |
| 2022 | (474,307) |
| 2023 | (311,079) |
| 2024 | (101,617) |
| 2025 | <u>20,129</u> |
| | <u>\$ (1,393,737)</u> |

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | 5.48 | - |
| June 30, 2018 | 5.63 | - |
| June 30, 2019 | 5.21 | - |
| June 30, 2020 | 5.16 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| June 30, 2017 | - | 5.48 |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| June 30, 2020 | - | 5.16 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | 5.00 |
| June 30, 2015 | - | 5.00 |
| June 30, 2016 | 5.00 | - |
| June 30, 2017 | 5.00 | - |
| June 30, 2018 | 5.00 | - |
| June 30, 2019 | 5.00 | - |
| June 30, 2020 | 5.00 | - |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | 6.44 |
| June 30, 2015 | 5.72 | 5.72 |
| June 30, 2016 | 5.57 | 5.57 |
| June 30, 2017 | 5.48 | 5.48 |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |
| June 30, 2020 | 5.16 | 5.16 |

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees’ Retirement System (PERS) (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

| | |
|---|--|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 2.00 - 6.00% Based on Years of Service |
| Thereafter | 3.00 - 7.00% Based on Years of Service |
| Investment Rate of Return | 7.00% |
| Mortality Rate Table | Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020 |
| Period of Actuarial Experience | |
| Study upon which Actuarial Assumptions were Based | July 1, 2014 - June 30, 2018 |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees’ Retirement System (PERS) (continued)

asset class included in PERS’s target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 3.40% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 1.94% |
| Investment Grade Credit | 8.00% | 2.67% |
| High Yield | 2.00% | 5.95% |
| Private Credit | 8.00% | 7.59% |
| Real Assets | 3.00% | 9.73% |
| Real Estate | 8.00% | 9.56% |
| U.S. Equity | 27.00% | 7.71% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.57% |
| Emerging Markets Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District’s proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

| | 1% Decrease <u>(6.00%)</u> | Current Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|--|---|---|---|
| District's Proportionate Share of the Net Pension Liability | <u>\$ 3,477,789</u> | <u>\$ 2,741,153</u> | <u>\$ 2,155,943</u> |

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

| | <u>6/30/2021</u> | <u>6/30/2020</u> |
|--|------------------|------------------|
| Actuarial valuation date (including roll forward) | June 30, 2020 | June 30, 2019 |
| Collective Deferred Outflows of Resources | \$ 2,347,583,337 | \$ 3,149,522,616 |
| Collective Deferred Inflows of Resources | 7,849,949,467 | 7,645,087,574 |
| Collective Net Pension Liability | 16,435,616,426 | 18,143,832,135 |
| District's portion of the Plan's total Net Pension Liability | 0.01681% | 0.01722% |

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

| <u>Tier</u> | <u>Definition</u> |
|-------------|--|
| 1 | Members who were enrolled prior to July 1, 2007 |
| 2 | Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008 |
| 3 | Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010 |

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$37,522,410. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.05698%, which was a decrease of .00153% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$2,333,303 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|---------------------------|--|
| Inflation | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through 2026 | 1.55 - 4.45% Based on Years of Service |
| Thereafter | 2.75 - 5.65% Based on Years of Service |
| Investment Rate of Return | 7.00% |

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

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

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

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 3.00% | 3.40% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 1.94% |
| Investment Grade Credit | 8.00% | 2.67% |
| High Yield | 2.00% | 5.95% |
| Private Credit | 8.00% | 7.59% |
| Real Assets | 3.00% | 9.73% |
| Real Estate | 8.00% | 9.56% |
| U.S. Equity | 27.00% | 7.71% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.57% |
| Emerging Markets Equity | 5.50% | 10.23% |
| Private Equity | 13.00% | 11.42% |

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

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

| | 1% Decrease <u>(4.40%)</u> | Current Discount Rate <u>(5.40%)</u> | 1% Increase <u>(6.40%)</u> |
|--|---|---|---|
| School District's Proportionate Share of the Net Pension Liability | \$ - | \$ - | \$ - |
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | <u>44,074,459</u> | <u>37,522,410</u> | <u>32,082,028</u> |
| | <u>\$ 44,074,459</u> | <u>\$ 37,522,410</u> | <u>\$ 32,082,028</u> |

Pension Plan Fiduciary Net Position - 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.

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

| | <u>6/30/2020</u> | <u>6/30/2019</u> |
|--|------------------|-------------------|
| Collective Deferred Outflows of Resources | \$ 9,626,548,228 | \$ 10,129,162,237 |
| Collective Deferred Inflows of Resources | 14,591,988,841 | 17,736,240,054 |
| Collective Net Pension Liability | 65,993,498,688 | 61,519,112,443 |
| District's portion of the Plan's total Net Pension Liability | 0.05698% | 0.05851% |

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$5,847 and the School District recognized pension expense of \$3,189.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

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

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

| | TPAF/ABP | PERS | PFRS |
|-------------------|--|--|---|
| Salary Increases: | | | |
| Through 2026 | 1.55 - 4.45% based on years of service | 2.00 - 6.00% based on years of service | 3.25 - 15.25% based on years of service |
| Thereafter | 1.55 - 4.45% based on years of service | 3.00 - 7.00% based on years of service | Applied to all future years |

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other 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, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$45,516,676. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.06712%, which was a decrease of 0.00416% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$1,453,139 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates 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 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

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

Sensitivity of Total Nonemployer OPEB Liability to changes in 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:

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

| | June 30, 2020 | | |
|--|---------------------------|-----------------------------|---------------------------|
| | At 1% Decrease (1.21%) | At Discount Rate (2.21%) | At 1% Increase (3.21%) |
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District | \$ 54,872,702 | \$ 45,516,676 | \$ 38,201,165 |
| State of New Jersey's Total Non- employer Liability | \$ 81,748,410,002 | \$ 67,809,962,608 | \$ 56,911,439,160 |

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:

| | June 30, 2020 | | |
|--|----------------------|---------------------------------|-------------------|
| | 1% Decrease | Healthcare Cost Trend Rate * | 1% Increase |
| State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District | \$ 36,742,596 | \$ 45,516,676 | \$ 55,964,655 |
| State of New Jersey's Total Nonemployer OPEB Liability | \$ 54,738,488,540 | \$ 67,809,962,608 | \$ 83,375,182,975 |

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Change in Proportion Differences between Expected & Actual Experience | \$ 10,295,318,750 | \$ (9,170,703,615) |
| Change in Assumptions | - | - |
| Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date ** | 11,534,251,250 | (7,737,500,827) |
| | TBD | - |
| | <u>\$ 21,829,570,000</u> | <u>\$ (16,908,204,442)</u> |

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits continued)

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

| Fiscal Year Ending June 30, | | |
|--------------------------------|----|-----------------------------|
| 2021 | \$ | 43,440,417 |
| 2022 | | 43,440,417 |
| 2023 | | 43,440,417 |
| 2024 | | 43,440,417 |
| 2025 | | 43,440,417 |
| Thereafter | | <u>4,704,163,473</u> |
| | \$ | <u><u>4,921,365,558</u></u> |

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

| | <u>June 30, 2019</u> |
|--|-----------------------|
| Active Plan Members | 216,804 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | <u>149,304</u> |
| | <u><u>366,108</u></u> |

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

| | |
|---|--------------------------|
| Total OPEB Liability | |
| Service Cost | \$ 1,790,973,822 |
| Interest Cost | 1,503,341,357 |
| Difference Between Expected & Actual Experience | 11,544,750,637 |
| Changes of Assumptions | 12,386,549,981 |
| Contributions: Member | 35,781,384 |
| Gross Benefit Payments | <u>(1,180,515,618)</u> |
| Net Change in Total OPEB Liability | 26,080,881,563 |
| Total OPEB Liability (Beginning) | <u>41,729,081,045</u> |
| Total OPEB Liability (Ending) | <u>\$ 67,809,962,608</u> |
| Total Covered Employee Payroll | \$ 14,267,738,658 |
| Net OPEB Liability as a Percentage of Payroll | 475% |

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2020, the on-behalf payments for normal costs, post-retirement medical costs, and non-contributory insurance were \$3,925,281, \$1,230,122 and \$2,367, respectively.

Note 11. Risk Management

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

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

| <u>Fiscal Year</u> | <u>School District Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|--------------------------------------|-------------------------------|--------------------------|-----------------------|
| 2020-2021 | \$ - | \$ 10,588 | \$ - | \$ 82,966 |
| 2019-2020 | - | 34,477 | 5,372 | 72,378 |
| 2018-2019 | - | 22,000 | 18,829 | 43,273 |

Property and Liability Insurance – The School 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.

Joint Insurance Pool – The School District also participates in the Burlington County Joint Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

| | |
|---------------------------------------|--------------------------------|
| Property – Blanket Building & Grounds | General & Automobile Liability |
| Environmental Impairment Liability | Workers’ Compensation |
| School Board Legal Liability | Excess Liability |
| Employers Liability | Comprehensive Crime Coverage |

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 12. Contingencies (continued)

relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School 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 School District’s programs and activities.

Note 13. Deferred Compensation

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

The Vanguard Group
Lincoln Investment Planning
AXA Equitable

Note 14. Compensated Absences

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

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District 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 School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$244,253.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the

SHAMONG TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 15. Tax Abatements (continued)

county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$850,000.

Note 17. Fund Balances

General Fund – Of the \$6,379,359 General Fund balance at June 30, 2021, \$4,004,174 has been restricted for the Capital Reserve Account; \$145,014 has been restricted for the Maintenance Reserve Account; \$82,966 has been restricted for Unemployment Compensation, \$850,000 is restricted for current year excess surplus; \$855,000 is restricted for prior year excess surplus – designated for subsequent year's expenditures, \$231,390 has been assigned for other purposes, \$45,754 is assigned for subsequent year's expenditures and \$165,061 is unassigned.

Special Revenue Fund – Of the \$44,312 Special Revenue Fund balance at June 30, 2021, \$44,312 is restricted for student activities.

Capital Projects Fund – Of the \$288,245 Capital Projects Fund balance at June 30, 2021, \$288,245 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$2 Debt Service Fund balance at June 30, 2021, \$2 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$3,950,392 at June 30, 2021. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2021.

The School District's business type activities had a deficit in unrestricted net position in the amount of \$15,875. The deficit was caused by the Food Service fund which experienced disruptions due to COVID-19. As of June 30, 2021, the Food Service fund had an accumulated deficit of \$15,875.

SHAMONG TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 19. Prior Period Adjustment/Restatement of Net Position and Fund Balance

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Prior Period Adjustment to Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund and Student Activities. The beginning balances as of July 1, 2020 were adjusted as follows:

Prior Period Adjustment to Net Position

| | |
|---|-----------------------------|
| Balance, July 1, 2020 prior to Adjustment | \$ 10,122,392 |
| Add: | |
| New Jersey Unemployment Trust | 72,378 |
| Student Activities | <u>44,347</u> |
| Balance, July 1, 2020 Restated | <u><u>\$ 10,239,117</u></u> |

Prior Period Adjustment to Fund Balance (General Fund)

| | |
|---|----------------------------|
| Balance, July 1, 2020 prior to Adjustment | \$ 5,249,868 |
| Add: | |
| New Jersey Unemployment Trust | <u>72,378</u> |
| Balance, July 1, 2020 Restated | <u><u>\$ 5,322,246</u></u> |

Prior Period Adjustment to Fund Balance (Special Revenue Fund)

| | |
|---|-------------------------|
| Balance, July 1, 2020 prior to Adjustment | \$ - |
| Add: | |
| Student Activities | <u>44,347</u> |
| Balance, July 1, 2020 Restated | <u><u>\$ 44,347</u></u> |

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 21, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the following have come to the attention of the School District that would require disclosure.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| ACCOUNT NUMBERS | JUNE 30, 2021 | | | | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL | |
|---|-----------------|-------------------|----------------|-------------------|---|------------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | | |
| Revenues: | | | | | | |
| Local Sources: | | | | | | |
| Local Tax Levy | 10-1210 | \$ 9,751,708 | \$ - | \$ 9,751,708 | \$ 9,751,708 | \$ - |
| Tuition from Individuals | 10-1310 | - | - | - | 71,082 | 71,082 |
| Tuition from Other Sources | 10-1340 | 4,000 | - | 4,000 | 18,833 | 14,833 |
| Interest Earned on Maintenance Reserve | 10-1XXX | 14 | - | 14 | 14 | - |
| Interest Earned on Capital Reserve Funds | 10-1XXX | 150 | - | 150 | 150 | - |
| Miscellaneous | 10-1990 | 153,184 | - | 153,184 | 204,424 | 51,240 |
| Total Local Sources | | 9,909,056 | - | 9,909,056 | 10,046,211 | 137,155 |
| State Sources: | | | | | | |
| Equalization Aid | 10-3176 | 3,000,367 | - | 3,000,367 | 3,000,367 | - |
| Categorical Transportation Aid | 10-3121 | 191,437 | - | 191,437 | 191,437 | - |
| Categorical Special Education Aid | 10-3132 | 507,214 | - | 507,214 | 507,214 | - |
| Categorical Security Aid | 10-3177 | 65,308 | - | 65,308 | 65,308 | - |
| Extraordinary Aid | 10-3131 | 45,000 | - | 45,000 | 64,089 | 19,089 |
| Nonpublic School Transportation Reimbursement | 10-3190 | 3,306 | - | 3,306 | 6,090 | 2,784 |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Post-Retirement Medical Contributions | | - | - | - | 534,605 | 534,605 |
| On-Behalf TPAF Pension Contributions | | - | - | - | 1,705,908 | 1,705,908 |
| On-Behalf TPAF Long-Term Disability Ins Contributions | | - | - | - | 894 | 894 |
| Reimbursed TPAF Social Security Contributions | | - | - | - | 444,835 | 444,835 |
| Total State Sources | | 3,812,632 | - | 3,812,632 | 6,520,747 | 2,708,115 |
| Total Revenues | | 13,721,688 | - | 13,721,688 | 16,566,958 | 2,845,270 |
| Expenditures: | | | | | | |
| Current Expense: | | | | | | |
| Instruction - Regular Programs: | | | | | | |
| Salaries of Teachers: | | | | | | |
| Preschool/Kindergarten | 11-110-100-101 | 265,359 | - | 265,359 | 265,359 | - |
| Grades 1 - 5 | 11-120-100-101 | 2,040,820 | (270) | 2,040,550 | 1,772,593 | 267,957 |
| Grades 6 - 8 | 11-130-100-101 | 1,209,598 | 270 | 1,209,868 | 1,176,178 | 33,690 |
| Home Instruction | 11-150-100-101 | 8,000 | - | 8,000 | 3,139 | 4,861 |
| Regular Programs - Undistributed Instruction: | | | | | | |
| Purchased Professional/Educational Services | 11-190-100-320 | 562,150 | - | 562,150 | 332,814 | 229,336 |
| Purchased Technical Services | 11-190-100-340 | 152,416 | 10,150 | 162,566 | 156,875 | 5,691 |
| Other Purchased Services (400-500 series) | 11-190-100-500 | 64,487 | 386 | 64,873 | 63,528 | 1,345 |
| General Supplies | 11-190-100-610 | 135,988 | (8,490) | 127,498 | 108,820 | 18,678 |
| Textbooks | 11-190-100-640 | 51,175 | 3,300 | 54,475 | 53,137 | 1,338 |
| Other Objects | 11-190-100-800 | 260 | - | 260 | - | 260 |
| Total Regular Programs - Instruction | | 4,490,253 | 5,346 | 4,495,599 | 3,932,443 | 563,156 |
| Resource Room/ Resource Center: | | | | | | |
| Salaries of Teachers | 11-213-100-101 | 1,092,670 | (2,666) | 1,090,004 | 1,044,143 | 45,861 |
| General Supplies | 11-213-100-610 | 12,900 | 662 | 13,562 | 13,500 | 62 |
| Textbooks | 11-213-100-640 | 450 | - | 450 | 425 | 25 |
| Total Resource Room | | 1,106,020 | (2,004) | 1,104,016 | 1,058,068 | 45,948 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBERS | JUNE 30, 2021 | | | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL | |
|--|-----------------|-----------------|------------------|--------------|---|---------|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | ACTUAL |
| Special Education - Autism | | | | | | |
| Salaries of Teachers | 11-214-100-101 | - | 54,123 | 54,123 | 44,651 | 9,472 |
| General Supplies | 11-214-100-610 | - | 9,000 | 9,000 | 8,299 | 701 |
| Total Preschool Disabilities - Part-Time | | - | 63,123 | 63,123 | 52,950 | 10,173 |
| Preschool Disabilities - Full-Time: | | | | | | |
| Salaries of Teachers | 11-216-100-101 | 115,312 | (54,123) | 61,189 | 58,018 | 3,171 |
| General Supplies | 11-216-100-610 | 550 | - | 550 | 284 | 266 |
| Total Preschool Disabilities - Full-Time | | 115,862 | (54,123) | 61,739 | 58,302 | 3,437 |
| Total Special Education | | 1,221,882 | 6,996 | 1,228,878 | 1,169,320 | 59,558 |
| Basic Skills/Remedial: | | | | | | |
| Salaries of Teachers | 11-230-100-101 | 218,334 | 2,666 | 221,000 | 206,571 | 14,429 |
| General Supplies | 11-230-100-610 | 1,000 | - | 1,000 | 121 | 879 |
| Total Basic Skills/Remedial | | 219,334 | 2,666 | 222,000 | 206,692 | 15,308 |
| School Sponsored Cocurricular Activities: | | | | | | |
| Salaries | 11-401-100-100 | 62,486 | - | 62,486 | 25,099 | 37,387 |
| Supplies & Materials | 11-401-100-600 | 4,013 | - | 4,013 | 1,367 | 2,646 |
| Other Objects | 11-401-100-800 | 1,500 | - | 1,500 | - | 1,500 |
| Total School Sponsored Cocurricular Activities | | 67,999 | - | 67,999 | 26,466 | 41,533 |
| School Sponsored Athletics: | | | | | | |
| Salaries | 11-402-100-100 | 55,121 | - | 55,121 | 10,650 | 44,471 |
| Purchased Services | 11-402-100-500 | 5,521 | - | 5,521 | - | 5,521 |
| Supplies & Materials | 11-402-100-600 | 107 | - | 107 | - | 107 |
| Other Objects | 11-402-100-800 | 413 | - | 413 | - | 413 |
| Total School Sponsored Athletics | | 61,162 | - | 61,162 | 10,650 | 50,512 |
| Total Other Instructional Programs | | 129,161 | - | 129,161 | 37,116 | 92,045 |
| Total - Instruction | | 6,060,630 | 15,008 | 6,075,638 | 5,345,571 | 730,067 |
| Undistributed Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Tuition to Private School for The Handicap | 11-000-100-567 | 434,596 | - | 434,596 | 294,001 | 140,595 |
| Total Instruction | | 434,596 | - | 434,596 | 294,001 | 140,595 |
| Attendance and Social Work Services | | | | | | |
| Salaries | 11-000-211-100 | 23,433 | - | 23,433 | 23,433 | - |
| Purchased Professional & Technical Services | 11-000-211-300 | 15,000 | - | 15,000 | 10,790 | 4,210 |
| Total Attendance and Social Work Services | | 38,433 | - | 38,433 | 34,223 | 4,210 |
| Health Services: | | | | | | |
| Salaries | 11-000-213-100 | 143,721 | - | 143,721 | 140,709 | 3,012 |
| Purchased Professional & Technical Services | 11-000-213-300 | 5,000 | - | 5,000 | 5,000 | - |
| Supplies and Materials | 11-000-213-600 | 3,034 | - | 3,034 | 602 | 2,432 |
| Other Objects | 11-000-213-800 | 1,020 | - | 1,020 | - | 1,020 |
| Total Health Services | | 152,775 | - | 152,775 | 146,311 | 6,464 |
| Related Services: | | | | | | |
| Salaries | 11-000-216-101 | 110,312 | - | 110,312 | 88,130 | 22,182 |
| Purchased Professional/Educational Services | 11-000-216-320 | 154,350 | (12,662) | 141,688 | 78,317 | 63,371 |
| Supplies & Materials | 11-000-216-610 | 490 | 300 | 790 | 514 | 276 |
| Total Related Services | | 265,152 | (12,362) | 252,790 | 166,961 | 85,829 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| ACCOUNT NUMBERS | JUNE 30, 2021 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL | |
|---|-----------------|------------------|----------------|----------------|---|---------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | | |
| Extra Services: | | | | | | |
| Purchased Professional/Educational Services | 11-000-217-320 | 8,000 | (300) | 7,700 | 7,450 | 250 |
| Supplies & Materials | 11-000-217-600 | 2,880 | (400) | 2,480 | 1,812 | 668 |
| Total Extra Services | | 10,880 | (700) | 10,180 | 9,262 | 918 |
| Other Support Services - Students - Regular: | | | | | | |
| Salaries of Other Professional Staff | 11-000-218-104 | 174,299 | 667 | 174,966 | 174,966 | - |
| Purchased Professional/Educational Services | 11-000-218-390 | 2,000 | (667) | 1,333 | - | 1,333 |
| Supplies & Materials | 11-000-218-600 | 400 | 118 | 518 | 271 | 247 |
| Total Other Support Services - Students - Regular | | 176,699 | 118 | 176,817 | 175,237 | 1,580 |
| Other Support Services - Students - Special Services: | | | | | | |
| Salaries of Other Professional Staff | 11-000-219-104 | 373,120 | - | 373,120 | 369,256 | 3,864 |
| Salaries of Secretarial & Clerical Assistants | 11-000-219-105 | 64,968 | - | 64,968 | 64,968 | - |
| Other Purchased Services | 11-000-219-500 | 3,500 | - | 3,500 | - | 3,500 |
| Miscellaneous Purchased Services | 11-000-219-592 | 10,430 | (1,380) | 9,050 | 3,764 | 5,286 |
| Supplies and Materials | 11-000-219-600 | 6,200 | 4,780 | 10,980 | 7,819 | 3,161 |
| Other Objects | 11-000-219-800 | 1,200 | - | 1,200 | 1,043 | 157 |
| Total Other Support Services - Students - Special Services | | 459,418 | 3,400 | 462,818 | 446,850 | 15,968 |
| Improvement of Instruction: | | | | | | |
| Salary of Other Professional Staff | 11-000-221-104 | 122,306 | 2,091 | 124,397 | 121,124 | 3,273 |
| Purchased Services | 11-000-221-590 | 2,500 | - | 2,500 | - | 2,500 |
| Supplies and Materials | 11-000-221-600 | 700 | - | 700 | 327 | 373 |
| Other Objects | 11-000-221-800 | 1,200 | (177) | 1,023 | 934 | 89 |
| Total Improvement of Instruction | | 126,706 | 1,914 | 128,620 | 122,385 | 6,235 |
| Educational Media Services/School Library: | | | | | | |
| Salaries | 11-000-222-100 | 282,445 | 2,729 | 285,174 | 285,174 | - |
| Other Purchased Services | 11-000-222-500 | 3,600 | (2,729) | 871 | - | 871 |
| Supplies and Materials | 11-000-222-600 | 5,822 | (1,000) | 4,822 | 2,791 | 2,031 |
| Total Instructional Staff Training Services | | 291,867 | (1,000) | 290,867 | 287,965 | 2,902 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| ACCOUNT NUMBERS | JUNE 30, 2021 | | | | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|--------------------|---------------------|-----------------|----------------|---|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Instructional Staff Training: | | | | | |
| Purchased Professional/Educational Services | 11-000-223-320 | 800 | (800) | - | - |
| Other Purchased Services (400-500 Series) | 11-000-223-500 | 4,400 | - | 4,400 | 129 |
| Supplies & Materials | 11-000-223-600 | 250 | (89) | 161 | - |
| Other Objects | 11-000-223-800 | 1,100 | (1,025) | 75 | 75 |
| Total Instructional Staff Training | | 6,550 | (1,914) | 4,636 | 204 |
| Support Services General Administration: | | | | | |
| Salaries | 11-000-230-100 | 240,089 | - | 240,089 | 240,079 |
| Legal Services | 11-000-230-331 | 13,726 | 15,000 | 28,726 | 23,942 |
| Audit Services | 11-000-230-332 | 25,058 | - | 25,058 | 23,700 |
| Architectural/Engineering Services | 11-000-230-334 | 5,000 | 2,960 | 7,960 | 5,750 |
| Other Purchased Professional Services | 11-000-230-339 | 14,000 | (1,000) | 13,000 | 7,948 |
| Communications/Telephone | 11-000-230-530 | 35,300 | (3,500) | 31,800 | 31,293 |
| BOE Other Purchased Services | 11-000-230-585 | 2,900 | (2,900) | - | - |
| Other Purchased Services | 11-000-230-590 | 20,559 | (5,700) | 14,859 | 13,154 |
| General Supplies | 11-000-230-610 | 3,000 | (2,300) | 700 | 669 |
| Miscellaneous Expenditures | 11-000-230-890 | 10,390 | 50 | 10,440 | 9,941 |
| BOE Membership Dues & Fees | 11-000-230-895 | 7,400 | - | 7,400 | 6,833 |
| Total Support Services General Administration | | 377,422 | 2,610 | 380,032 | 363,309 |
| Support Services School Administration: | | | | | |
| Salaries of Principals & Assistant Principals | 11-000-240-103 | 305,881 | 81 | 305,962 | 305,962 |
| Salaries of Secretarial & Clerical Assistants | 11-000-240-105 | 164,468 | 1,418 | 165,886 | 165,531 |
| Purchased Professional & Technical Services | 11-000-240-300 | 6,875 | 1,050 | 7,925 | 7,450 |
| Other Purchased Services | 11-000-240-500 | 5,000 | (3,322) | 1,678 | 405 |
| Supplies & Materials | 11-000-240-600 | 5,049 | 1,728 | 6,777 | 5,667 |
| Other Objects | 11-000-240-800 | 2,550 | 45 | 2,595 | 2,272 |
| Total Support Services School Administration | | 489,823 | 1,000 | 490,823 | 487,287 |
| Support Services Central Services: | | | | | |
| Salaries | 11-000-251-100 | 247,347 | (3,900) | 243,447 | 226,695 |
| Purchased Technical Services | 11-000-251-340 | 24,820 | 4,103 | 28,923 | 28,923 |
| Other Purchased Professional Services | 11-000-251-590 | 4,700 | (1,048) | 3,652 | 2,987 |
| Supplies and Materials | 11-000-251-600 | 3,608 | (154) | 3,454 | 1,913 |
| Miscellaneous Expenditures | 11-000-251-890 | 7,125 | - | 7,125 | 936 |
| Total Support Services Central Services | | 287,600 | (999) | 286,601 | 261,454 |
| Administrative Information Technology: | | | | | |
| Salaries | 11-000-252-100 | 10,432 | (1) | 10,431 | 10,430 |
| Other Purchased Services | 11-000-252-500 | 1,000 | - | 1,000 | - |
| Other Objects | 11-000-252-800 | 499 | 1 | 500 | - |
| Total Administrative Information Technology | | 11,931 | - | 11,931 | 10,430 |
| Total Central Services & Admin IT | | 299,531 | (999) | 298,532 | 271,884 |
| Required Maintenance for School Facilities: | | | | | |
| Salaries | 11-000-261-100 | 116,726 | - | 116,726 | 106,866 |
| Cleaning, Repair & Maintenance Services | 11-000-261-420 | 182,025 | (21,967) | 160,058 | 133,765 |
| General Supplies | 11-000-261-610 | 22,000 | 8,800 | 30,800 | 17,584 |
| Total Required Maintenance for School Facilities | | 320,751 | (13,167) | 307,584 | 258,215 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBERS | JUNE 30, 2021 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|-----------------|-------------------|------------------|-------------------|-------------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Operation & Maintenance of Plant: | | | | | | |
| Required Maintenance for School Facilities: | | | | | | |
| Salaries | 11-000-262-100 | 634,140 | - | 634,140 | 605,914 | 28,226 |
| Purchased Professional/Technical | 11-000-262-300 | 13,000 | (500) | 12,500 | 6,533 | 5,967 |
| Cleaning, Repair & Maintenance Services | 11-000-262-420 | 15,000 | (10,095) | 4,905 | 4,747 | 158 |
| Other Purchased Property Svc. | 11-000-262-490 | 22,154 | - | 22,154 | 22,154 | - |
| Insurance | 11-000-262-520 | 28,547 | 983 | 29,530 | 29,530 | - |
| Travel | 11-000-262-580 | - | 152 | 152 | - | 152 |
| Miscellaneous Purchased Services | 11-000-262-590 | 2,500 | (2,500) | - | - | - |
| General Supplies | 11-000-262-610 | 97,300 | 25,222 | 122,522 | 95,395 | 27,127 |
| Energy (Natural Gas) | 11-000-262-621 | 100,959 | (161) | 100,798 | 83,989 | 16,809 |
| Energy (Electricity) | 11-000-262-622 | 187,552 | - | 187,552 | 158,847 | 28,705 |
| Other Objects | 11-000-262-800 | 700 | 1,060 | 1,760 | 1,645 | 115 |
| Total Operation & Maintenance of Plant Services | | 1,101,852 | 14,161 | 1,116,013 | 1,008,754 | 107,259 |
| Student Transportation Services: | | | | | | |
| Salaries - Pupil Transportation Coordinator | 11-000-270-162 | 40,991 | 610 | 41,601 | 41,601 | - |
| Purchased Professional & Technical Services | 11-000-270-350 | 5,000 | (610) | 4,390 | - | 4,390 |
| Other Purchased Professional & Technical Services | 11-000-270-390 | 1,800 | - | 1,800 | 1,584 | 216 |
| Contracted Services - Aide in Lieu of Payments - NonPublic School | 11-000-270-503 | 17,000 | 5,978 | 22,978 | 18,577 | 4,401 |
| Contracted Services - (Between Home & School) Vendors | 11-000-270-511 | 536,498 | 33,105 | 569,603 | 568,267 | 1,336 |
| Contracted Services - (Other Than Between Home & School) Vendors | 11-000-270-512 | 15,540 | (15,540) | - | - | - |
| Contracted Services - CTSA's Special | 11-000-270-518 | 190,700 | (11,835) | 178,865 | 150,411 | 28,454 |
| General Supplies | 11-000-270-610 | - | 306 | 306 | 306 | - |
| Total Student Transportation Services | | 807,529 | 12,014 | 819,543 | 780,746 | 38,797 |
| Unallocated Benefits - Employee Benefits: | | | | | | |
| Social Security Contributions | 11-000-291-220 | 142,574 | - | 142,574 | 120,905 | 21,669 |
| PERS - Other Retirement | 11-000-291-241 | 442,169 | 200,000 | 642,169 | 183,885 | 458,284 |
| Workmen's Compensation | 11-000-291-260 | 55,473 | 305 | 55,778 | 55,778 | - |
| Health Benefits | 11-000-291-270 | 2,128,747 | (13,548) | 2,115,199 | 1,908,627 | 206,572 |
| Tuition Reimbursements | 11-000-291-280 | 31,000 | - | 31,000 | 17,475 | 13,525 |
| Unused Sick Payment to Term/Ret Staff | 11-000-291-299 | 12,662 | - | 12,662 | 12,662 | - |
| Other Employee Benefits | 11-000-291-290 | 239,147 | 13,243 | 252,390 | 224,503 | 27,887 |
| Total Unallocated Benefits - Employee Benefits | | 3,051,772 | 200,000 | 3,251,772 | 2,523,835 | 727,937 |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Post-Retirement Medical Contributions | | - | - | - | 534,605 | (534,605) |
| On-Behalf TPAF Pension Contributions | | - | - | - | 1,705,908 | (1,705,908) |
| On-Behalf TPAF Long-Term Disability Ins Contributions | | - | - | - | 894 | (894) |
| Reimbursed TPAF Social Security Contributions | | - | - | - | 444,835 | (444,835) |
| Total Undistributed Expenditures | | 8,411,756 | 205,075 | 8,616,831 | 10,063,671 | (1,446,840) |
| Total Expenditures - Current Expense | | 14,472,386 | 220,083 | 14,692,469 | 15,409,242 | (716,773) |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | ACCOUNT NUMBERS | JUNE 30, 2021 | | | ACTUAL | POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|-----------------|-----------------|------------------|--------------|--------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Capital Outlay: | | | | | | |
| Interest Earned on Capital Reserve: | 10-604 | 150 | - | 150 | - | 150 |
| Interest Earned on Maintenance Reserve: | 10-606 | 14 | - | 14 | - | 14 |
| Total Interest in Reserves | | 164 | - | 164 | - | 164 |
| Facilities Acquisition & Construction Services: | | | | | | |
| Lease Purchase Agreements - Principal | 12-000-400-721 | 130,525 | - | 130,525 | 130,525 | - |
| Assessment for Debt Service on SDA Funding | 12-000-400-896 | 39,138 | - | 39,138 | 39,138 | - |
| Total Facilities Acquisition & Construction Services | | 169,663 | - | 169,663 | 169,663 | - |
| Total Capital Outlay | | 169,827 | - | 169,827 | 169,663 | 164 |
| Total Expenditures | | 14,642,213 | 220,083 | 14,862,296 | 15,578,905 | (716,609) |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | | (920,525) | (220,083) | (1,140,608) | 988,053 | 2,128,661 |
| Other Financing Sources/(Uses): | | | | | | |
| Transfers In | | - | - | - | 42,414 | 42,414 |
| Total Other Financing Sources/(Uses) | | - | - | - | 42,414 | 42,414 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures After Other Financing Sources/(Uses) | | (920,525) | (220,083) | (1,140,608) | 1,030,467 | 2,171,075 |
| Fund Balances, July 1, as previously stated | | 5,649,033 | - | 5,649,033 | 5,649,033 | - |
| Prior Period Adjustment | | 72,378 | - | 72,378 | 72,378 | - |
| Fund Balances, July 1 (Restated) | | 5,721,411 | - | 5,721,411 | 5,721,411 | - |
| Fund Balances, June 30 | | \$ 4,800,886 | \$ (220,083) | \$ 4,580,803 | \$ 6,751,878 | \$ 2,171,075 |
| <u>RECAPITULATION OF BUDGET TRANSFERS</u> | | | | | | |
| Prior Year Reserve for Encumbrances | | | \$ 220,083 | | | |
| Total Budget Transfers | | | \$ 220,083 | | | |
| <u>RECAPITULATION OF FUND BALANCE</u> | | | | | | |
| Restricted Fund Balance: | | | | | | |
| Maintenance Reserve | | | | | \$ 145,014 | |
| Capital Reserve | | | | | 4,004,174 | |
| Unemployment Compensation | | | | | 82,966 | |
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures | | | | | 855,000 | |
| Excess Surplus | | | | | 850,000 | |
| Assigned: | | | | | | |
| Year-End Encumbrances | | | | | 231,390 | |
| Designated for Subsequent Year's Expenditures | | | | | 45,754 | |
| Unassigned Fund Balance | | | | | 537,580 | |
| Subtotal | | | | | 6,751,878 | |
| Reconciliation to Governmental Fund Statements (GAAP): | | | | | | |
| Last Two State Aid Payments Not Recognized on GAAP Basis | | | | | (372,519) | |
| Fund Balance per Governmental Funds (GAAP) | | | | | \$ 6,379,359 | |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | JUNE 30, 2021 | | | | VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---|--------------------|---------------------|------------------|------------------|---|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| REVENUES | | | | | |
| Local Sources | \$ - | \$ 125,689 | \$ 125,689 | \$ 134,733 | \$ 9,044 |
| Federal Sources | 209,679 | 906,893 | 1,116,572 | 462,192 | (654,380) |
| Total Revenues | 209,679 | 1,032,582 | 1,242,261 | 596,925 | (645,336) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 50,287 | 57,355 | 107,642 | 35,260 | 72,382 |
| Purchased Professional Educational Services | - | 34,374 | 34,374 | 100 | 34,274 |
| Tuition | 141,432 | 47,327 | 188,759 | 185,654 | 3,105 |
| General Supplies | 8,000 | 125,751 | 133,751 | 124,214 | 9,537 |
| Other Objects | - | 225 | 225 | - | 225 |
| Total Instruction | 199,719 | 265,032 | 464,751 | 345,228 | 119,523 |
| Support Services: | | | | | |
| Teacher Salaries | 9,960 | 7,512 | 17,472 | 6,848 | 10,624 |
| Personal Services - Employee Benefits | - | 16,768 | 16,768 | 16,767 | 1 |
| Purchased Professional Technical Services | - | 8,780 | 8,780 | 6,490 | 2,290 |
| Purchased Professional Educational Services | - | 11,169 | 11,169 | 11,169 | - |
| General Supplies | - | 78,864 | 78,864 | 78,634 | 230 |
| Student Activities | - | - | - | 9,090 | (9,090) |
| Total Support Services | 9,960 | 123,093 | 133,053 | 128,998 | 4,055 |
| Facilities Acquisition & Construction Services | | | | | |
| Instructional Equipment | - | 644,457 | 644,457 | 122,734 | 521,723 |
| Total Facilities Acquisition & Construction Services | - | 644,457 | 644,457 | 122,734 | 521,723 |
| Total Expenditures | 209,679 | 1,032,582 | 1,242,261 | 596,960 | 645,301 |
| Total Outflows | 209,679 | 1,032,582 | 1,242,261 | 596,960 | 645,301 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses) | | | | | |
| | - | - | - | (35) | (35) |
| Fund Balance, July 1 | | | | | |
| Prior Period Adjustment | - | - | - | 44,347 | 44,347 |
| Fund Balance, July 1 (Restated) | - | - | - | 44,347 | 44,347 |
| Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ 44,312 | \$ 44,312 |

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
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-Series) | \$ 16,566,958 | \$ 596,925 |
| 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 | - | (74,380) |
| Difference - Budget to GAAP: | | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 399,165 | - |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (372,519) | - |
| | <hr/> | <hr/> |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2) | \$ 16,593,604 | \$ 522,545 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Uses/Outflows of Resources: | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | \$ 15,578,905 | \$ 596,960 |
| | <hr/> | <hr/> |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received is 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. | - | (74,380) |
| | <hr/> | <hr/> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds (B-2) | \$ 15,578,905 | \$ 522,580 |
| | <hr/> <hr/> | <hr/> <hr/> |

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OTHER SUPPLEMENTARY INFORMATION

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability (asset) | 0.01681% | 0.01722% | 0.02062% | 0.01968% | 0.01950% | 0.02094% | 0.01924% | 0.01907% |
| District's proportionate share of the net pension liability (asset) | \$ 2,741,153 | \$ 3,103,267 | \$ 4,060,700 | \$ 4,581,084 | \$ 5,775,200 | \$ 4,700,040 | \$ 3,601,987 | \$ 3,643,602 |
| District's covered-employee payroll | 1,266,169 | 1,237,296 | 1,220,605 | 1,216,001 | 1,340,753 | 1,318,264 | 1,330,845 | 1,374,641 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 216.49% | 250.81% | 332.68% | 376.73% | 430.74% | 356.53% | 270.65% | 265.06% |
| Plan fiduciary net position as a percentage of the total pension liability | 58.31% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | 48.72% |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST EIGHT FISCAL YEARS**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| Contractually required contribution | \$ 183,885 | \$ 167,526 | \$ 205,139 | \$ 182,310 | \$ 173,231 | \$ 180,006 | \$ 158,600 | \$ 143,647 |
| Contributions in relation to the contractually required contribution | (183,885) | (167,526) | (205,139) | (182,310) | (173,231) | (180,006) | (158,600) | (143,647) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered-employee payroll | 1,237,296 | 1,220,605 | 1,216,001 | 1,340,753 | 1,318,264 | 1,330,845 | 1,374,641 | 1,327,546 |
| Contributions as a percentage of covered-employee payroll | 14.86% | 16.87% | 16.87% | 13.60% | 13.14% | 13.53% | 11.54% | 10.82% |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ASSOCIATED WITH THE DISTRICT'S TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| District's proportion of the net pension liability (asset) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0 |
| State's proportionate share of the net pension liability (asset) associated with the District | \$ 37,522,410 | \$ 35,910,882 | \$ 35,618,668 | \$ 37,280,072 | \$ 44,813,287 | \$ 36,469,762 | \$ 30,629,904 | 29,378,568 |
| District's covered-employee payroll | 6,229,690 | 6,382,108 | 6,288,341 | 6,096,496 | 5,992,483 | 5,758,698 | 5,713,243 | 5,683,551 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | - | - | - | - | - | - | - | - |
| Plan fiduciary net position as a percentage of the total pension liability | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% | 33.76% |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS (GASB 75)

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SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

| | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|
| District's Total OPEB Liability | | | | |
| Service Cost | \$ 934,400 | \$ 963,338 | \$ 1,079,791 | \$ 1,303,731 |
| Interest Cost | 1,060,429 | 1,341,692 | 1,454,123 | 1,264,067 |
| Difference Between Expected and Actual Differences | 6,231,435 | (6,262,558) | (3,564,718) | - |
| Changes of Assumptions | 8,314,333 | 443,492 | (3,918,253) | (5,193,222) |
| Contributions: Member | 24,018 | 27,066 | 31,555 | 34,094 |
| Gross Benefit Payments | (792,408) | (913,067) | (913,012) | (925,906) |
| Net Change in District's Total OPEB Liability | 15,772,207 | (4,400,037) | (5,830,514) | (3,517,236) |
| District's Total OPEB Liability (Beginning) | 29,744,469 | 34,144,506 | 39,975,020 | 43,492,256 |
| District's Total OPEB Liability (Ending) | <u>\$ 45,516,676</u> | <u>\$ 29,744,469</u> | <u>\$ 34,144,506</u> | <u>\$ 39,975,020</u> |
| District's Covered Employee Payroll | \$ 7,495,859 | \$ 7,619,404 | \$ 7,508,943 | \$ 7,312,497 |
| District's Net OPEB Liability as a Percentage of Payroll | 607% | 390% | 455% | 547% |

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

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E. Special Revenue Fund

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | TITLE I | TITLE II PART A | TITLE IV | I.D.E.A. PART B REGULAR | PRESCHOOL | EDUCATION | CARES ACT STABILIZATION | CORONA VIRUS RELIEF FUND | DIGITAL DIVIDE |
|--|-----------|--------------------|-------------|----------------------------|-----------|-----------|----------------------------|--------------------------------|-------------------|
| Revenues: | | | | | | | | | |
| Federal Sources | \$ 64,172 | \$ 14,665 | \$ 10,000 | \$ 181,654 | \$ 11,169 | \$ 44,820 | \$ 28,958 | \$ 4,375 | |
| Local Sources | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 64,172 | \$ 14,665 | \$ 10,000 | \$ 181,654 | \$ 11,169 | \$ 44,820 | \$ 28,958 | \$ 4,375 | |
| Expenditures: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Salaries of Teachers | \$ 35,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Tuition | - | - | - | 181,654 | - | 4,000 | - | - | - |
| General Supplies | 1,526 | - | 10,000 | - | - | 34,994 | 28,958 | 4,375 | |
| Total Instruction | 36,526 | - | 10,000 | 181,654 | - | 38,994 | 28,958 | 4,375 | |
| Support Services: | | | | | | | | | |
| Salaries | - | 6,848 | - | - | - | - | - | - | - |
| Personal Services - Employee Benefits | 16,244 | 523 | - | - | - | - | - | - | - |
| Purchased Professional - Technical Services | 2,280 | 2,000 | - | - | - | - | - | - | - |
| Purchased Professional - Educational Services | - | - | - | - | 11,169 | - | - | - | - |
| Other Purchased Services (400-500 Series) | - | - | - | - | - | - | - | - | - |
| General Supplies | 122 | 2,294 | - | - | - | 5,826 | - | - | - |
| Student Activities | - | - | - | - | - | - | - | - | - |
| Total Support Services | 18,646 | 11,665 | - | - | 11,169 | 5,826 | - | - | - |
| Facilities Acquisition & Construction Services: | | | | | | | | | |
| Instructional Equipment | 9,000 | 3,000 | - | - | - | - | - | - | - |
| Total Expenditures | 64,172 | 14,665 | 10,000 | 181,654 | 11,169 | 44,820 | 28,958 | 4,375 | |
| Excess/(Deficiency) of Revenue Over/ (Under) Expenditures & Other Financing Sources/(Uses) | - | - | - | - | - | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - | - |
| Prior Period Adjustment | - | - | - | - | - | - | - | - | - |
| Fund Balance, July 1 (Restated) | - | - | - | - | - | - | - | - | - |
| Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | CRRSA ACT | | MENTAL HEALTH | | ARP | | SHAMONG TOWNSHIP FOUNDATION FOR | | OTHER LOCAL GRANTS | TOTAL 2021 |
|--|------------------|-----------------------|-----------------|------------------|--------------------|----------------------|---------------------------------|----------------|--------------------|-------------------|
| | ESSER II GRANT | LEARNING ACCELERATION | ESSE III GRANT | ESSE III GRANT | STUDENT ACTIVITIES | EDUCATION EXCELLENCE | EDUCATION EXCELLENCE | | | |
| Revenues: | | | | | | | | | | |
| Federal Sources | \$ 70,000 | \$ 1,780 | \$ 3,695 | \$ 26,904 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 462,192 |
| Local Sources | - | - | - | - | 9,055 | 14,944 | 110,734 | - | - | 134,733 |
| Total Revenues | \$ 70,000 | \$ 1,780 | \$ 3,695 | \$ 26,904 | \$ 9,055 | \$ 14,944 | \$ 110,734 | \$ - | \$ - | \$ 596,925 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries of Teachers | \$ - | \$ - | \$ - | \$ 260 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 35,260 |
| Purchased Professional - Educational Services | - | - | 100 | - | - | - | - | - | - | 100 |
| Tuition | - | - | - | - | - | - | - | - | - | 185,654 |
| General Supplies | - | 1,388 | 1,385 | 26,644 | - | 14,944 | - | - | - | 124,214 |
| Total Instruction | - | 1,388 | 1,485 | 26,904 | - | 14,944 | - | - | - | 345,228 |
| Support Services: | | | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - | - | 6,848 |
| Personal Services - Employee Benefits | - | - | - | - | - | - | - | - | - | 16,767 |
| Purchased Professional - Technical Services | - | - | 2,210 | - | - | - | - | - | - | 6,490 |
| Purchased Professional - Educational Services | - | - | - | - | - | - | - | - | - | 11,169 |
| General Supplies | 70,000 | 392 | - | - | - | - | - | - | - | 78,634 |
| Student Activities | - | - | - | - | 9,090 | - | - | - | - | 9,090 |
| Total Support Services | 70,000 | 392 | 2,210 | - | 9,090 | - | - | - | - | 128,998 |
| Facilities Acquisition & Construction Services: | | | | | | | | | | |
| Instructional Equipment | - | - | - | - | - | - | - | - | 110,734 | 122,734 |
| Total Expenditures | 70,000 | 1,780 | 3,695 | 26,904 | 9,090 | 14,944 | 110,734 | 110,734 | 110,734 | 596,960 |
| Excess/(Deficiency) of Revenue Over/ (Under) Expenditures & Other Financing Sources/(Uses) | - | - | - | - | (35) | - | - | - | - | (35) |
| Fund Balance, July 1 | - | - | - | - | - | - | - | - | - | - |
| Prior Period Adjustment | - | - | - | - | 44,347 | - | - | - | - | 44,347 |
| Fund Balance, July 1 (Restated) | - | - | - | - | 44,347 | - | - | - | - | 44,347 |
| Fund Balance, June 30 | \$ - | \$ - | \$ - | \$ - | \$ 44,312 | \$ - | \$ - | \$ - | \$ - | \$ 44,312 |

F. Capital Projects Fund

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2021**

| PROJECT TITLE/ISSUE | ORIGINAL DATE | APPROPRIATIONS | EXPENDITURES TO DATE PRIOR YEARS | EXPENDITURES TO DATE CURRENT YEAR | TRANSFER TO OTHER FUNDS | CANCELLATION OF GRANT RECEIVABLE | UNEXPENDED BALANCE JUNE 30, 2021 |
|---|---------------|---------------------|----------------------------------|-----------------------------------|-------------------------|----------------------------------|----------------------------------|
| Replacement of Exterior Doors at Indian Mills Memorial School | 3/31/2014 | \$ 131,000 | \$ 111,323 | \$ - | \$ 11,806 | \$ 7,871 | \$ - |
| Security Upgrades at Indian Mills Memorial School | 3/31/2014 | 227,500 | 222,970 | - | 2,717 | 1,813 | - |
| Air Conditioning Upgrades at Indian Mills Elementary School | 3/31/2014 | 1,192,000 | 671,877 | - | 17,249 | 214,629 | 288,245 |
| Security Upgrades at Indian Mills Elementary School | 3/31/2014 | 261,500 | 256,945 | - | 2,732 | 1,823 | - |
| Total | | \$ 1,812,000 | \$ 1,263,115 | \$ - | \$ 34,504 | \$ 226,136 | \$ 288,245 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| | |
|--|--------------------------|
| REVENUES: | |
| Interest | \$ <u>7,910</u> |
| Total Revenues | <u>7,910</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>7,910</u> |
| Other Financing Sources/ (Uses): | |
| Transfer to General Fund | <u>(42,414)</u> |
| Total Other Financing Sources/ (Uses) | <u>(42,414)</u> |
| Net Change in Fund Balance | (34,504) |
| Fund Balance - Beginning | <u>322,749</u> |
| Fund Balance - Ending | <u><u>\$ 288,245</u></u> |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS MEMORIAL SCHOOL
REPLACEMENT OF EXTERIOR DOORS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ 44,529 | \$ - | \$ 44,529 | \$ 52,400 |
| Bond Proceeds & Transfers | 78,600 | - | 78,600 | 78,600 |
| Total Revenues | 123,129 | - | 123,129 | 131,000 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 13,508 | - | 13,508 | 15,500 |
| Construction Services | 97,815 | - | 97,815 | 115,500 |
| Transfer to Other Funds | - | 11,806 | 11,806 | - |
| Total Expenditures | 111,323 | 11,806 | 123,129 | 131,000 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 11,806 | \$ (11,806) | \$ - | \$ - |

Additional Project Information:

| | |
|---|------------------|
| Project Number | 4740-055-14-1013 |
| Grant Date | N/A |
| Bond Authorization Date | 2/11/15 |
| Bonds Authorization | |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 131,000 |
| Additional Authorized Cost | \$ - |
| Revised Authorized Cost | \$ 131,000 |
| Percentage Increase Over Original Authorized Cost | 0.00% |
| Percentage Completion | 93.99% |
| Original Target Completion Date | 9/2016 |
| Revised Target Completion Date | Complete |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS MEMORIAL SCHOOL
SECURITY UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ 89,187 | \$ - | \$ 89,187 | \$ 91,000 |
| Bond Proceeds & Transfers | 136,500 | - | 136,500 | 136,500 |
| Total Revenues | 225,687 | - | 225,687 | 227,500 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 19,131 | - | 19,131 | 20,150 |
| Construction Services | 203,839 | - | 203,839 | 207,350 |
| Transfer to Other Funds | - | 2,717 | 2,717 | - |
| Total Expenditures | 222,970 | 2,717 | 225,687 | 227,500 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 2,717 | \$ (2,717) | \$ - | \$ - |

Additional Project Information:

| | |
|---|------------------|
| Project Number | 4740-055-14-1012 |
| Grant Date | N/A |
| Bond Authorization Date | 2/11/15 |
| Bonds Authorization | |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 227,500 |
| Additional Authorized Cost | \$ - |
| Revised Authorized Cost | \$ 227,500 |
| Percentage Increase Over Original Authorized Cost | 0.00% |
| Percentage Completion | 99.20% |
| Original Target Completion Date | 9/2016 |
| Revised Target Completion Date | Complete |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS SCHOOL
CLASSROOM AIR CONDITIONING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ 262,171 | \$ - | \$ 262,171 | \$ 476,800 |
| Bond Proceeds & Transfers | 715,200 | - | 715,200 | 715,200 |
| Total Revenues | 977,371 | - | 977,371 | 1,192,000 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 82,642 | - | 82,642 | 103,000 |
| Construction Services | 589,235 | - | 589,235 | 1,089,000 |
| Transfer to Other Funds | - | 17,249 | 17,249 | - |
| Total Expenditures | 671,877 | 17,249 | 689,126 | 1,192,000 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 305,494 | \$ (17,249) | \$ 288,245 | \$ - |

Additional Project Information:

| | |
|---|------------------|
| Project Number | 4740-050-14-1005 |
| Grant Date | N/A |
| Bond Authorization Date | 2/11/15 |
| Bonds Authorization | |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,192,000 |
| Additional Authorized Cost | \$ - |
| Revised Authorized Cost | \$ 1,192,000 |
| Percentage Increase Over Original Authorized Cost | 0.00% |
| Percentage Completion | 57.81% |
| Original Target Completion Date | 6/2017 |
| Revised Target Completion Date | Complete |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
INDIAN MILLS SCHOOL
SECURITY UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-------------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ 102,777 | \$ - | \$ 102,777 | \$ 104,600 |
| Bond Proceeds & Transfers | 156,900 | - | 156,900 | 156,900 |
| Total Revenues | 259,677 | - | 259,677 | 261,500 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 21,301 | - | 21,301 | 27,310 |
| Construction Services | 235,644 | - | 235,644 | 234,190 |
| Transfer to Other Funds | - | 2,732 | 2,732 | - |
| Total Expenditures | 256,945 | 2,732 | 259,677 | 261,500 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 2,732 | \$ (2,732) | \$ - | \$ - |
| Additional Project Information: | | | | |
| Project Number | | | | 4740-050-14-1003 |
| Grant Date | | | | N/A |
| Bond Authorization Date | | | | 2/11/15 |
| Bonds Authorization | | | | |
| Bonds Issued | | | | N/A |
| Original Authorized Cost | | | | \$ 261,500 |
| Additional Authorized Cost | | | | \$ - |
| Revised Authorized Cost | | | | \$ 261,500 |
| Percentage Increase Over Original Authorized Cost | | | | 0.00% |
| Percentage Completion | | | | 99.30% |
| Original Target Completion Date | | | | 9/2016 |
| Revised Target Completion Date | | | | Complete |

I. Long-Term Debt

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL PAYMENTS DATE | ANNUAL PAYMENTS AMOUNT | INTEREST RATE | AMOUNT OUTSTANDING JUNE 30, 2020 | ISSUED | RETIRED | AMOUNT OUTSTANDING JUNE 30, 2021 |
|-------------------|---------------|-----------------|----------------------|------------------------|---------------|----------------------------------|--------|------------|----------------------------------|
| School Bond Issue | 8/26/2010 | \$ 1,999,000 | 2/15/2022 | \$ 155,000 | 3.125% | \$ 994,000 | \$ - | \$ 150,000 | \$ 844,000 |
| | | | 2/15/2023 | 160,000 | 3.125% | | | | |
| | | | 2/15/2024 | 170,000 | 3.250% | | | | |
| | | | 2/15/2025 | 180,000 | 3.375% | | | | |
| | | | 2/15/2026 | 179,000 | 3.500% | | | | |
| Total | | | | | | \$ 994,000 | \$ - | \$ 150,000 | \$ 844,000 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| SERIES | DATE OF LEASE | TERM OF LEASE | AMOUNT OF ORIGINAL LEASE | | BALANCE OUSTANDING | ISSUED | RETIRED | BALANCE OUSTANDING |
|--------------|---------------|---------------|--------------------------|----------|--------------------|-------------|-------------------|--------------------|
| | | | PRINCIPAL | INTEREST | JULY 1, 2020 | | | JUNE 30, 2021 |
| Equipment | 11/29/2017 | 4 Years | \$ 100,000 | \$ 6,616 | \$ 42,826 | \$ - | \$ 21,120 | \$ 21,706 |
| Tech Refresh | 12/1/2018 | 5 Years | 168,000 | 17,823 | 104,644 | - | 33,594 | 71,050 |
| Equipment | 2/25/2020 | 4 Years | 500,000 | 22,100 | 500,000 | - | 121,559 | 378,441 |
| | | | | | <u>\$ 647,470</u> | <u>\$ -</u> | <u>\$ 176,273</u> | <u>\$ 471,197</u> |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

| | JUNE 30, 2021 | | | | VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|--------------------|---------------------|-----------------|------------|---|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 147,663 | \$ - | \$ 147,663 | \$ 147,663 | \$ - |
| State Sources: | | | | | |
| Debt Service Aid Type II | 34,734 | - | 34,734 | 34,734 | - |
| Total Revenues | 182,397 | - | 182,397 | 182,397 | - |
| Expenditures: | | | | | |
| Regular Debt Service: | | | | | |
| Redemption of Principal | 150,000 | - | 150,000 | 150,000 | - |
| Interest | 32,397 | - | 32,397 | 32,396 | 1 |
| Total Regular Debt Service | 182,397 | - | 182,397 | 182,396 | 1 |
| Excess/(Deficiency) of Revenues Over (Under) Expenditures | - | - | - | 1 | 1 |
| Fund Balance, July 1, | 1 | - | 1 | 1 | - |
| Fund Balance, June 30 | \$ 1 | \$ - | \$ 1 | \$ 2 | \$ 1 |

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

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

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SHAMONG TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
UNAUDITED

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|---------------------------------------|-----------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 9,010,875 | \$ 9,152,038 | \$ 9,446,849 | \$ 9,771,022 | \$ 8,823,283 | \$ 8,326,384 | \$ 7,007,394 | \$ 7,652,155 | \$ 7,786,237 | \$ 7,428,613 |
| Restricted | 6,269,713 | 5,408,461 | 4,449,235 | 2,904,982 | 1,750,190 | 3,334,897 | 3,605,761 | 2,073,603 | 1,939,464 | 1,580,710 |
| Unrestricted | (3,950,392) | (4,438,107) | (4,706,250) | (3,848,515) | (3,704,287) | (4,249,723) | (4,197,462) | (471,129) | (648,924) | (648,244) |
| Total Governmental Activities | \$ 11,330,196 | \$ 10,122,392 | \$ 9,189,834 | \$ 8,827,489 | \$ 6,869,186 | \$ 7,411,558 | \$ 6,415,693 | \$ 9,254,629 | \$ 9,076,777 | \$ 8,361,079 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 2,871 | \$ 5,307 | \$ 9,420 | \$ 14,346 | \$ 19,166 | \$ 23,987 | \$ 28,807 | \$ 33,627 | \$ 38,447 | \$ 34,670 |
| Unrestricted | (15,875) | 1,039 | 33,313 | 36,336 | 30,079 | 16,785 | 15,602 | 19,646 | 27,729 | 31,310 |
| Total Business-Type Activities | \$ (13,004) | \$ 6,346 | \$ 42,733 | \$ 50,682 | \$ 49,245 | \$ 40,772 | \$ 44,409 | \$ 53,273 | \$ 66,176 | \$ 65,980 |
| Government-Wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 9,013,746 | \$ 9,157,345 | \$ 9,456,269 | \$ 9,785,368 | \$ 8,842,449 | \$ 8,350,371 | \$ 7,036,201 | \$ 7,685,782 | \$ 7,824,684 | \$ 7,463,283 |
| Restricted | 6,269,713 | 5,408,461 | 4,449,235 | 2,904,982 | 1,750,190 | 3,334,897 | 3,605,761 | 2,073,603 | 1,939,464 | 1,580,710 |
| Unrestricted | (3,966,267) | (4,437,068) | (4,672,937) | (3,812,179) | (3,674,208) | (4,232,938) | (4,181,860) | (451,483) | (621,195) | (616,934) |
| Total Net Position | \$ 11,317,192 | \$ 10,128,738 | \$ 9,232,567 | \$ 8,878,171 | \$ 6,918,431 | \$ 7,452,330 | \$ 6,460,102 | \$ 9,307,902 | \$ 9,142,953 | \$ 8,427,059 |

SHAMONG TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| FISCAL YEAR ENDING JUNE 30. | | | | | | | | | | |
| Expenses: | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Instruction - Regular Programs | \$ 3,932,443 | \$ 4,106,304 | \$ 4,195,061 | \$ 4,200,655 | \$ 3,906,222 | \$ 3,788,879 | \$ 3,836,141 | \$ 3,795,156 | \$ 3,848,363 | \$ 3,921,874 |
| Special Education | 1,510,168 | 1,425,117 | 1,442,181 | 1,306,623 | 1,615,844 | 1,610,721 | 1,547,810 | 1,757,555 | 1,680,653 | 1,472,381 |
| Other Special Instruction | 206,692 | 217,326 | 215,267 | 229,574 | 244,414 | 301,921 | 273,493 | 253,207 | 246,391 | 170,328 |
| Other Instruction | 37,116 | 109,729 | 109,241 | 108,765 | 104,858 | 104,464 | 98,335 | 97,047 | 82,064 | 88,181 |
| Support Services: | | | | | | | | | | |
| Tuition | 294,001 | 228,253 | 129,315 | 104,032 | 96,554 | 154,465 | 163,634 | 144,404 | 70,132 | 15,034 |
| Health Services | 146,311 | 142,711 | 139,301 | 133,875 | 127,016 | 118,586 | 111,970 | 109,412 | 149,524 | - |
| Student & Instruction Related Services | 997,353 | 1,017,152 | 1,021,608 | 949,408 | 972,816 | 912,981 | 839,431 | 859,396 | 850,276 | 1,109,260 |
| Educational Media Services/School Library | 287,965 | 276,604 | 295,504 | 288,542 | 238,756 | 240,487 | 222,307 | 228,681 | 222,675 | - |
| General Administrative Services | 363,309 | 370,218 | 380,759 | 369,453 | 371,840 | 371,097 | 352,888 | 361,677 | 298,499 | 538,075 |
| School Administrative Services | 487,287 | 486,844 | 472,684 | 467,185 | 459,899 | 480,375 | 467,195 | 450,404 | 446,278 | 530,672 |
| Central Services | 271,884 | 275,525 | 311,049 | 303,801 | 315,949 | 312,124 | 254,747 | 266,470 | 262,019 | - |
| Plant Operations & Maintenance | 1,098,487 | 1,183,197 | 1,263,238 | 1,332,184 | 1,190,428 | 1,124,396 | 1,203,015 | 1,081,702 | 1,047,690 | 1,021,161 |
| Pupil Transportation | 780,746 | 678,388 | 730,057 | 651,802 | 652,106 | 640,139 | 666,192 | 665,588 | 618,931 | 633,392 |
| Employee Benefits | 6,561,800 | 5,079,959 | 6,102,124 | 9,388,457 | 4,540,855 | 5,833,761 | 5,030,672 | 3,511,762 | 3,602,862 | 3,563,624 |
| Interest on Long-Term Debt | 70,147 | 71,577 | 75,756 | 66,627 | 121,523 | 133,714 | 216,347 | 139,283 | 185,001 | 278,974 |
| Unallocated Amortization | - | - | - | - | - | - | - | - | (14,397) | (2,692) |
| Increase/(Decrease) In Compensated Absences | - | - | - | - | - | - | - | - | (103,305) | 3,641 |
| Increase/(Decrease) In Post Retirement Benefits | - | - | - | - | - | - | (418,512) | - | (3,180) | - |
| Unallocated Loss on Revaluation of Assets | - | - | - | - | 8,800 | 56,479 | - | - | - | - |
| Unallocated Depreciation | 595,391 | 754,142 | 762,196 | 750,598 | 733,734 | 730,202 | 728,669 | 752,513 | 737,501 | 763,364 |
| Total Governmental Activities Expenses | 17,641,100 | 16,423,046 | 17,645,341 | 20,651,581 | 15,701,614 | 16,914,791 | 15,594,334 | 14,474,257 | 14,227,977 | 14,107,269 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 140,794 | 199,214 | 232,534 | 238,596 | 246,000 | 258,791 | 253,617 | 266,758 | 263,303 | 258,821 |
| Total Business-Type Activities Expense | 140,794 | 199,214 | 232,534 | 238,596 | 246,000 | 258,791 | 253,617 | 266,758 | 263,303 | 258,821 |
| Total District Expenses | \$ 17,781,894 | \$ 16,622,260 | \$ 17,877,875 | \$ 20,890,177 | \$ 15,947,614 | \$ 17,173,582 | \$ 15,847,951 | \$ 14,741,015 | \$ 14,491,280 | \$ 14,366,090 |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| FISCAL YEAR ENDING JUNE 30, | | | | | | | | | | |
| Revenues: | | | | | | | | | | |
| Operating Grants & Contributions | \$ 4,666,716 | \$ 3,091,987 | \$ 3,979,079 | \$ 5,322,427 | \$ 1,851,784 | \$ 3,503,214 | \$ 2,829,252 | \$ 325,896 | \$ 289,841 | \$ 284,527 |
| Total Governmental Activities Program Revenues | 4,666,716 | 3,091,987 | 3,979,079 | 5,322,427 | 1,851,784 | 3,503,214 | 2,829,252 | 325,896 | 289,841 | 284,527 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Service: | | | | | | | | | | |
| Food Service | 694 | 112,613 | 163,934 | 171,560 | 178,458 | 181,502 | 176,447 | 180,159 | 201,662 | 178,804 |
| Operating Grants: | | | | | | | | | | |
| Food Service | 106,474 | 49,155 | 59,053 | 66,397 | 67,249 | 64,568 | 63,144 | 67,093 | 57,554 | 64,404 |
| Total Business Type Activities Program Revenues | 107,168 | 161,768 | 222,987 | 237,957 | 245,707 | 246,070 | 239,591 | 247,252 | 259,216 | 243,208 |
| Total District Program Revenues | \$ 4,773,884 | \$ 3,253,755 | \$ 4,202,066 | \$ 5,560,384 | \$ 2,097,491 | \$ 3,749,284 | \$ 3,068,843 | \$ 573,148 | \$ 549,057 | \$ 527,735 |
| Net/(Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (12,974,384) | \$ (13,331,059) | \$ (13,666,262) | \$ (15,329,154) | \$ (13,849,850) | \$ (13,411,577) | \$ (12,765,082) | \$ (14,148,361) | \$ (13,938,136) | \$ (13,822,742) |
| Business-Type Activities | (33,626) | (37,446) | (9,547) | (639) | (293) | (12,721) | (14,026) | (19,506) | (4,087) | (15,613) |
| Total District-Wide Net Expense | \$ (13,008,010) | \$ (13,368,505) | \$ (13,675,809) | \$ (15,329,793) | \$ (13,850,123) | \$ (13,424,298) | \$ (12,779,108) | \$ (14,167,867) | \$ (13,942,223) | \$ (13,838,355) |

SHAMONG TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| FISCAL YEAR ENDING JUNE 30 | | | | | | | | | | |
| General Revenues & Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes, Levied for General Purposes, Net | \$ 9,899,371 | \$ 9,703,606 | \$ 9,511,338 | \$ 10,018,910 | \$ 9,541,312 | \$ 9,285,085 | \$ 9,068,136 | \$ 8,902,667 | \$ 8,926,550 | \$ 8,926,550 |
| Federal & State Aid Unrestricted | 3,861,151 | 4,132,111 | 4,252,553 | 6,125,758 | 4,353,408 | 4,725,906 | 4,351,479 | 5,336,195 | 5,512,211 | 5,180,485 |
| Tuition Received | 89,915 | 19,376 | 39,272 | 64,198 | 68,244 | 15,100 | - | - | - | 54,019 |
| Miscellaneous Income | 212,498 | 408,524 | 226,453 | 208,591 | 210,094 | 364,097 | 82,416 | 158,903 | 215,073 | 216,651 |
| Capital Asset Adjustments | 2,528 | - | (1,009) | - | - | - | - | - | - | - |
| Unallocated Amortization | - | - | - | - | - | - | 36,097 | - | - | - |
| Decrease In Compensated Absences | - | - | - | - | - | 16,354 | 27,220 | - | - | - |
| Decrease In Post Retirement Benefits | - | - | - | - | 4,400 | 900 | 4,400 | - | - | - |
| Total Governmental Activities | 14,065,463 | 14,263,617 | 14,028,607 | 16,417,457 | 14,177,458 | 14,407,442 | 13,569,748 | 14,397,765 | 14,653,834 | 14,377,705 |
| Business-type Activities | 14,276 | 1,059 | 1,598 | 2,076 | 8,766 | 9,084 | 5,162 | 6,603 | 4,283 | 7,599 |
| Total District-Wide | \$ 14,079,739 | \$ 14,264,676 | \$ 14,030,205 | \$ 16,419,533 | \$ 14,186,224 | \$ 14,416,526 | \$ 13,574,910 | \$ 14,404,368 | \$ 14,658,117 | \$ 14,385,304 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | 1,091,079 | 932,558 | 362,345 | 1,088,303 | 327,628 | 995,865 | 804,666 | 249,404 | 715,698 | 554,963 |
| Business-Type Activities | (19,350) | (36,387) | (7,949) | 1,437 | 8,473 | (3,637) | (8,864) | (12,903) | 196 | (8,014) |
| Total District | \$ 1,071,729 | \$ 896,171 | \$ 354,396 | \$ 1,089,740 | \$ 336,101 | \$ 992,228 | \$ 795,802 | \$ 236,501 | \$ 715,894 | \$ 546,949 |

SHAMONG TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | | |
|---|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | |
| General Fund: | | | | | | | | | | | |
| Restricted | \$ 6,214,298 | \$ 5,305,794 | \$ 4,337,009 | \$ 3,494,684 | \$ 3,133,467 | \$ 2,788,122 | \$ 2,735,227 | \$ 2,073,603 | \$ 1,939,464 | \$ 1,580,710 | |
| Unassigned | 165,061 | (55,926) | (129,508) | - | - | (112,767) | (452,651) | (119,941) | (142,103) | (81,712) | |
| Total General Fund | \$ 6,379,359 | \$ 5,249,868 | \$ 4,207,501 | \$ 3,494,684 | \$ 3,133,467 | \$ 2,675,355 | \$ 2,282,577 | \$ 1,953,662 | \$ 1,797,361 | \$ 1,498,998 | |
| All Other Governmental Funds: | | | | | | | | | | | |
| Assigned, Reported in: | | | | | | | | | | | |
| Special Revenue Fund | \$ 44,312 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Capital Project Fund | 288,245 | 322,749 | 322,749 | 323,758 | 333,361 | 571,424 | 1,241,528 | 280,037 | 307,470 | 321,603 | |
| Debt Service Fund | 2 | 1 | 1 | 1 | 3 | 3 | 3 | 2 | 23,884 | 14 | |
| Total All Other Governmental Funds | \$ 332,559 | \$ 322,750 | \$ 322,750 | \$ 323,759 | \$ 333,364 | \$ 571,427 | \$ 1,241,531 | \$ 280,039 | \$ 331,354 | \$ 321,617 | |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|---------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 9,899,371 | \$ 9,703,606 | \$ 9,511,338 | \$ 10,018,910 | \$ 9,541,312 | \$ 9,285,085 | \$ 9,068,136 | \$ 8,902,667 | \$ 8,926,550 | \$ 8,926,550 |
| Tuition | 89,915 | 19,376 | 39,272 | 64,198 | 68,244 | 15,100 | - | - | - | 54,019 |
| Miscellaneous | 342,851 | 432,131 | 260,987 | 208,591 | 210,094 | 364,097 | 172,548 | 158,903 | 215,073 | 216,651 |
| State Sources | 6,582,127 | 6,361,411 | 6,440,269 | 6,152,895 | 5,956,062 | 6,193,568 | 5,573,971 | 5,410,657 | 5,525,730 | 5,081,622 |
| Federal Sources | 392,192 | 262,159 | 267,494 | 268,878 | 249,130 | 264,839 | 245,965 | 251,434 | 276,322 | 383,390 |
| Total Revenue | 17,306,456 | 16,778,683 | 16,519,360 | 16,713,472 | 16,024,842 | 16,122,689 | 15,060,620 | 14,723,661 | 14,943,675 | 14,662,232 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 3,932,443 | 4,106,304 | 4,195,061 | 4,200,655 | 3,906,222 | 3,788,879 | 3,836,141 | 3,795,156 | 3,913,154 | 3,921,874 |
| Special Education | 1,510,168 | 1,425,117 | 1,442,181 | 1,306,623 | 1,615,844 | 1,610,721 | 1,547,810 | 1,757,555 | 1,680,653 | 1,472,381 |
| Other Special Instruction | 206,692 | 217,326 | 215,267 | 229,574 | 244,414 | 301,921 | 273,493 | 253,207 | 246,391 | 170,328 |
| Other Instruction | 37,116 | 109,729 | 109,241 | 108,765 | 104,858 | 104,464 | 98,335 | 97,047 | 82,064 | 88,181 |
| Support Services: | | | | | | | | | | |
| Tuition | 294,001 | 228,253 | 129,315 | 104,032 | 96,554 | 154,465 | 163,634 | 144,404 | 70,132 | 15,034 |
| Attendance and Social Work Services | 34,223 | 31,965 | 31,459 | 32,500 | 30,000 | - | - | - | - | - |
| Health Services | 146,311 | 142,711 | 139,301 | 133,875 | 127,016 | 118,586 | 111,970 | 109,412 | 149,524 | - |
| Student & Instruction Related Services | 963,130 | 985,187 | 990,149 | 916,908 | 942,816 | 912,981 | 839,431 | 859,396 | 850,276 | 1,140,588 |
| Educational Media Services/School Library | 287,965 | 276,604 | 295,504 | 288,542 | 238,756 | 240,487 | 222,307 | 228,681 | 222,675 | - |
| General Administrative Services | 363,309 | 370,218 | 380,759 | 369,453 | 371,840 | 371,097 | 352,888 | 361,677 | 298,499 | 538,075 |
| School Administrative Services | 487,287 | 486,844 | 472,684 | 467,185 | 459,899 | 480,375 | 467,195 | 450,404 | 446,278 | 530,672 |
| Central Services | 271,884 | 275,525 | 311,049 | 303,801 | 315,949 | 312,124 | 254,747 | 266,470 | 262,019 | - |
| Plant Operations & Maintenance | 1,266,969 | 1,259,476 | 1,302,272 | 1,295,800 | 1,190,428 | 1,124,396 | 1,203,015 | 1,081,702 | 1,076,435 | 1,021,161 |
| Pupil Transportation | 780,746 | 678,388 | 730,057 | 651,802 | 661,376 | 682,225 | 666,192 | 665,588 | 618,931 | 633,392 |
| Employee Benefits | 5,226,844 | 4,686,400 | 4,585,975 | 4,171,769 | 4,151,645 | 3,872,384 | 3,662,778 | 3,511,762 | 3,602,862 | 3,563,624 |
| Capital Outlay | 292,397 | 779,498 | 573,435 | 919,193 | 486,398 | 1,468,095 | 206,148 | 54,738 | 128,341 | 353,523 |
| Debt Service: | | | | | | | | | | |
| Principal | 150,000 | 140,000 | 130,000 | 790,000 | 760,000 | 740,000 | 847,346 | 815,000 | 785,000 | 745,000 |
| Interest & Other Charges | 32,396 | 36,771 | 40,834 | 71,383 | 100,778 | 116,815 | 139,825 | 166,476 | 202,341 | 266,440 |
| Total Expenditures | 16,283,881 | 16,236,316 | 16,074,543 | 16,361,860 | 15,804,793 | 16,400,015 | 14,893,255 | 14,618,675 | 14,635,575 | 14,460,273 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 1,022,575 | 542,367 | 444,817 | 351,612 | 220,049 | (277,326) | 167,365 | 104,986 | 308,100 | 201,959 |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Lease-Purchase Agreement Proceeds | - | 500,000 | 268,000 | - | - | - | 1,188,600 | - | - | - |
| Cancellation of Grant Receivable | - | - | - | - | - | - | (65,538) | - | - | - |
| Operating Transfers In - | 42,414 | 7,817 | 2,895 | - | 270,000 | 131,671 | 35,716 | - | - | - |
| Operating Transfers (Out) - | (42,414) | (7,817) | (2,895) | - | (270,000) | (131,671) | (35,716) | - | - | - |
| Miscellaneous/Other | - | - | (1,009) | - | - | - | - | - | - | - |
| Total Other Financing Sources/(Uses) | - | 500,000 | 266,991 | - | - | - | 1,123,042 | - | - | - |
| Net Change in Fund Balances | \$ 1,022,575 | \$ 1,042,367 | \$ 711,808 | \$ 351,612 | \$ 220,049 | \$ (277,326) | \$ 1,290,407 | \$ 104,986 | \$ 308,100 | \$ 201,959 |
| Debt Service as a Percentage of Noncapital Expenditures | 1.2% | 1.2% | 1.1% | 5.9% | 6.0% | 6.1% | 7.2% | 7.2% | 7.3% | 7.7% |

Source: District Records

Revenue Capacity Information

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

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
UNAUDITED**

| | FISCAL YEAR ENDED JUNE 30 | | | | | | | | | |
|-------------------------|---------------------------|------------|------------|------------|------------|------------|------------|-----------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Interest on Investments | \$ - | \$ 10,704 | \$ 66,140 | \$ 12,916 | \$ 7,307 | \$ 5,859 | \$ 4,775 | \$ 10,963 | \$ 16,130 | \$ 28,584 |
| Sports/Club Fees | - | 19,325 | 21,363 | 25,972 | 26,315 | 27,403 | 9,315 | 26,995 | 24,295 | 20,300 |
| Prior Year Refunds | 17,584 | 27,412 | 66,488 | 120,606 | 36,550 | 63,200 | 7,881 | 12,460 | - | 1,113 |
| Miscellaneous | 187,004 | 343,266 | 69,567 | 31,734 | 105,256 | 193,329 | 126,003 | 34,023 | 144,585 | 116,621 |
| | \$ 204,588 | \$ 400,707 | \$ 223,558 | \$ 191,228 | \$ 175,428 | \$ 289,791 | \$ 147,974 | \$ 84,441 | \$ 185,010 | \$ 166,618 |

Source: District records

**SHAMONG TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
UNAUDITED**

| FISCAL YEAR ENDED DECEMBER 31, | VACANT LAND | RESIDENTIAL | FARM REG. | QFARM | COMMERCIAL | INDUSTRIAL | TOTAL ASSESSED VALUE | MEMO: TAX EXEMPT PROPERTY | PUBLIC UTILITIES | NET VALUATION TAXABLE | TOTAL DIRECT SCHOOL TAX RATE | ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE |
|--------------------------------|--------------|----------------|---------------|--------------|---------------|--------------|----------------------|---------------------------|------------------|-----------------------|------------------------------|---|
| 2021 | \$ 5,942,200 | \$ 597,891,600 | \$ 33,060,900 | \$ 2,039,600 | \$ 18,826,100 | \$ 3,053,000 | \$ 660,813,400 | \$ 51,556,700 | \$ 1,087,399 | \$ 661,900,799 | \$ 1.525 | \$ 727,042,311 |
| 2020 | 6,201,100 | 598,749,500 | 33,696,500 | 2,093,700 | 18,966,300 | 3,053,000 | 662,760,100 | 49,287,400 | 1,073,939 | 663,834,039 | 1.491 | 718,222,197 |
| 2019 | 6,308,200 | 598,393,700 | 33,433,510 | 2,140,400 | 18,966,300 | 2,521,200 | 661,763,310 | 48,131,000 | 1,069,744 | 662,833,054 | 1.462 | 710,138,222 |
| 2018 | 7,013,000 | 598,786,200 | 33,293,300 | 2,115,400 | 18,966,300 | 2,521,200 | 662,695,400 | 47,686,300 | 1,069,744 | 663,765,144 | 1.433 | 700,523,213 |
| 2017 | 7,466,300 | 598,283,300 | 33,154,500 | 2,151,500 | 18,961,600 | 2,735,800 | 662,753,000 | 47,335,800 | 1,080,016 | 663,833,016 | 1.509 | 701,863,257 |
| 2016 | 7,558,500 | 599,040,700 | 32,026,800 | 2,136,200 | 18,864,300 | 2,710,800 | 662,337,300 | 47,627,100 | 1,083,716 | 663,421,016 | 2.206 | 696,232,016 |
| 2015 | 7,551,600 | 598,357,100 | 32,898,700 | 2,138,600 | 18,917,900 | 2,710,800 | 662,574,700 | 47,293,700 | 1,148,531 | 663,723,231 | 2.145 | 710,315,501 |
| 2014 | 7,821,700 | 599,098,500 | 32,094,300 | 2,137,900 | 18,736,100 | 2,710,800 | 662,599,300 | 46,761,500 | 1,139,919 | 663,739,219 | 2.040 | 696,982,229 |
| 2013 | 7,745,600 | 600,380,300 | 32,103,400 | 2,154,100 | 19,207,200 | 2,710,800 | 664,301,400 | 46,075,700 | 1,501,069 | 665,802,469 | 1.969 | 711,796,211 |
| 2012 | 8,155,600 | 601,804,000 | 31,048,100 | 2,100,500 | 17,930,700 | 2,710,800 | 663,749,700 | 45,505,300 | 1,774,833 | 665,524,533 | 1.973 | 711,029,837 |

Source: Abstract of Ratables Burlington County, Burlington County Abstract of Ratables

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100

**SHAMONG TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)
UNAUDITED**

| FISCAL YEAR ENDED DECEMBER 31, | SCHOOL DISTRICT DIRECT RATE | | TOWNSHIP OF SHAMONG | | | | OVERLAPPING RATES | | | | TOTAL DIRECT AND OVERLAPPING TAX RATE |
|---|-----------------------------|--------------------|---------------------|-------------------------|----------------------|-------------------|----------------------|-------------------|----------------------|-------|--|
| | LOCAL SCHOOL | REGIONAL SCHOOL | TOTAL DIRECT | MUNICIPAL OPEN SPACE | BURLINGTON COUNTY | COUNTY LIBRARY | COUNTY OPEN SPACE | COUNTY LIBRARY | COUNTY OPEN SPACE | | |
| 2021 | 1.525 | 0.770 | 2.295 | 0.095 | 0.374 | 0.034 | 0.020 | 0.374 | 0.034 | 0.022 | 2.840 |
| 2020 | 1.491 | 0.772 | 2.263 | 0.095 | 0.372 | 0.034 | 0.020 | 0.372 | 0.034 | 0.022 | 2.806 |
| 2019 | 1.462 | 0.780 | 2.242 | 0.095 | 0.361 | 0.034 | 0.033 | 0.361 | 0.034 | 0.033 | 2.798 |
| 2018 | 1.433 | 0.770 | 2.203 | 0.095 | 0.363 | 0.032 | 0.020 | 0.363 | 0.032 | 0.026 | 2.739 |
| 2017 | 1.509 | 0.779 | 2.288 | 0.094 | 0.355 | 0.033 | 0.020 | 0.355 | 0.033 | 0.043 | 2.833 |
| 2016 | 1.438 | 0.768 | 2.206 | 0.084 | 0.353 | 0.033 | 0.020 | 0.353 | 0.033 | 0.042 | 2.738 |
| 2015 | 1.398 | 0.747 | 2.145 | 0.084 | 0.366 | 0.035 | 0.020 | 0.366 | 0.035 | 0.043 | 2.693 |
| 2014 | 1.367 | 0.673 | 2.040 | 0.068 | 0.352 | 0.033 | 0.000 | 0.352 | 0.033 | 0.016 | 2.509 |
| 2013 | 1.337 | 0.632 | 1.969 | 0.039 | 0.354 | 0.033 | 0.000 | 0.354 | 0.033 | 0.019 | 2.414 |
| 2012 | 1.341 | 0.632 | 1.973 | 0.045 | 0.344 | 0.034 | 0.000 | 0.344 | 0.034 | 0.045 | 2.441 |

Source: Burlington County Board of Taxation

**SHAMONG TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

| TAXPAYER | 2021 | | |
|----------------------------------|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Taxpayer #1 | \$2,733,400 | 1 | 0.412% |
| Fawn Lake LLC | 2,517,400 | 2 | 0.379% |
| Third Garden Park LTD | 2,400,000 | 3 | 0.362% |
| Taxpayer #2 | 1,909,100 | 4 | 0.288% |
| Taxpayer #3 | 1,093,984 | 5 | 0.165% |
| Verizon New Jersey | 1,074,700 | 6 | 0.162% |
| Federal National Mortgage Assoc. | 951,500 | 7 | 0.143% |
| US Bank | 919,600 | 8 | 0.139% |
| Taxpayer #4 | 896,600 | 9 | 0.135% |
| Samrajya Farms, LLC | 896,300 | 10 | 0.135% |
| Total | \$15,392,584 | | 2.319% |

| TAXPAYER | 2012 | | |
|-----------------------|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Taxpayer #1 | \$2,960,700 | 1 | 0.413% |
| Fawn Lake LLC | 2,500,000 | 2 | 0.288% |
| Third Garden Park LTD | 2,400,000 | 3 | 0.281% |
| Verizon-New Jersey | 1,419,111 | 4 | 0.267% |
| Taxpayer #5 | 1,415,600 | 5 | 0.213% |
| Taxpayer #6 | 1,344,900 | 6 | 0.202% |
| Wharton Acres LLC | 1,020,000 | 7 | 0.185% |
| Taxpayer #8 | 1,070,100 | 8 | 0.161% |
| Taxpayer #9 | 985,300 | 9 | 0.148% |
| Road Apples, LLC | 951,900 | 10 | 0.143% |
| Total | \$16,067,611 | | 2.30% |

Source: Municipal Tax Assessor

**SHAMONG TOWNSHIP
TOTAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

| FISCAL YEAR ENDED DECEMBER 31, | TAXES LEVIED FOR THE FISCAL YEAR | COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY AMOUNT | PERCENTAGE OF LEVY | COLLECTIONS IN SUBSEQUENT YEARS |
|---|---|---|-----------------------|--|
| 2020 | \$ 18,668,048 | \$ 18,326,992 | 98.17% | 100% |
| 2019 | 18,503,193 | 18,138,536 | 98.88% | 100% |
| 2018 | 18,224,651 | 18,020,781 | 97.95% | 100% |
| 2017 | 19,000,069 | 18,610,024 | 98.59% | 100% |
| 2016 | 18,190,594 | 17,933,281 | 98.71% | 100% |
| 2015 | 17,766,718 | 17,538,160 | 98.75% | 100% |
| 2014 | 16,677,587 | 16,468,708 | 98.91% | 100% |
| 2013 | 16,188,741 | 16,012,822 | 98.32% | 100% |
| 2012 | 16,298,677 | 16,025,068 | 98.45% | 100% |
| 2011 | 16,384,072 | 16,129,746 | 98.50% | 100% |

Source: Municipal Financial Statements

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Debt Capacity Information

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

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED**

| FISCAL DECEMBER 31, ENDED JUNE 30, | GOVERNMENTAL ACTIVITIES | | | TOTAL DISTRICT | PERCENTAGE OF PERSONAL INCOME | PER CAPITA |
|---|--------------------------------|-------------------|----|-------------------|--|------------|
| | GENERAL OBLIGATION BONDS | CAPITAL LEASES | | | | |
| 2021 | \$ 844,000 | \$ 471,197 | \$ | 1,315,197 | N/A | N/A |
| 2020 | 994,000 | 647,470 | | 1,641,470 | N/A | N/A |
| 2019 | 1,134,000 | 438,109 | | 1,572,109 | N/A | N/A |
| 2018 | 1,264,000 | 475,440 | | 1,739,440 | 0.73% | 433 |
| 2017 | 2,054,000 | 713,160 | | 2,767,160 | 1.02% | 583 |
| 2016 | 2,814,000 | 950,880 | | 3,764,880 | 1.08% | 607 |
| 2015 | 2,706,654 | 1,188,600 | | 3,895,254 | 1.27% | 684 |
| 2014 | 4,401,346 | - | | 4,401,346 | 1.30% | 672 |
| 2013 | 4,328,346 | - | | 4,328,346 | 1.83% | 942 |
| 2012 | 6,104,346 | - | | 6,104,346 | 2.10% | 1,061 |

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.
a. See Exhibit J-14 for personal income and population data.

**SHAMONG TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

| <u>GENERAL BONDED DEBT OUTSTANDING</u> | | | | | |
|--|--------------------------------|------------|---|--|------------|
| FISCAL YEAR ENDED JUNE 30, | GENERAL OBLIGATION BONDS | DEDUCTIONS | NET GENERAL BONDED DEBT OUTSTANDING | PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY | PER CAPITA |
| 2021 | \$ 844,000 | \$ - | \$ 844,000 | 0.13% | N/A |
| 2020 | 994,000 | - | 994,000 | 0.15% | N/A |
| 2019 | 1,134,000 | - | 1,134,000 | 0.17% | N/A |
| 2018 | 1,264,000 | - | 1,264,000 | 0.19% | 198 |
| 2017 | 2,054,000 | - | 2,054,000 | 0.31% | 321 |
| 2016 | 2,814,000 | - | 2,814,000 | 0.42% | 439 |
| 2015 | 2,706,654 | - | 2,706,654 | 0.41% | 421 |
| 2014 | 4,401,346 | - | 4,401,346 | 0.66% | 680 |
| 2013 | 5,216,346 | - | 5,216,346 | 0.79% | 804 |
| 2012 | 6,104,346 | - | 6,104,346 | 0.92% | 934 |

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021
UNAUDITED**

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | ESTIMATED PERCENTAGE APPLICABLE | SHARE OF OVERLAPPING DEBT |
|---|---------------------|---------------------------------------|---------------------------------|
| Debt Repaid With Property Taxes: | | | |
| Shamong Township | \$ 994,000 | 100.00% | \$ 994,000 |
| Burlington County General Obligation Debt | 202,410,342 | 1.50% | 3,036,155 |
| Lenape Regional High School | 36,865,000 | 3.95% | 1,456,168 |
| Subtotal, Overlapping Debt | | | 5,486,323 |
| Shamong Township District Direct Debt | | | 844,000 |
| Total Direct & Overlapping Debt | | | <u>\$ 6,330,323</u> |

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation

**SHAMONG TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

| | FISCAL YEAR | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Debt Limit | \$ 25,120,738 | \$ 23,221,709 | \$ 23,221,697 | \$ 23,228,557 | \$ 23,228,068 | \$ 23,223,261 | \$ 24,601,571 | \$ 24,915,332 | \$ 25,609,407 | \$ 23,107,643 |
| Total Net Debt Applicable to Limit | 844,000 | 994,000 | 1,134,000 | 1,264,000 | 2,054,000 | 2,814,000 | 2,706,654 | 4,401,346 | 5,216,346 | 6,104,346 |
| Legal Debt Margin | \$ 24,276,738 | \$ 22,227,709 | \$ 22,087,697 | \$ 21,964,557 | \$ 21,174,068 | \$ 20,409,261 | \$ 21,894,917 | \$ 20,513,986 | \$ 20,393,061 | \$ 17,003,297 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 3.36% | 4.28% | 4.88% | 5.44% | 12.12% | 11.00% | 17.67% | 20.37% | 26.42% | 28.81% |

Legal Debt Margin Calculation for Fiscal Year 2020:

| | |
|---|-------------------------|
| Equalized Valuation Basis: | |
| 2020 | \$ 727,588,209 |
| 2019 | 716,549,416 |
| 2018 | 709,068,478 |
| | <u>\$ 2,153,206,103</u> |
| Average Equalized Valuation of Taxable Property | <u>\$ 717,735,368</u> |
| Debt Limit (3.5% of Average Equalization Value) | 25,120,738 |
| Net Bonded School Debt | <u>844,000</u> |
| Legal Debt Margin | <u>\$ 24,276,738</u> |

Source:
Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation. Limit set by N.J.S.A.18A:24-19 for K through 12 district; other % limits would be applicable for other districts.

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Demographic and Economic Information

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

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

| YEAR | POPULATION (a) | PERSONAL INCOME (b) | PER CAPITA PERSONAL INCOME (c) | UNEMPLOYMENT RATE (d) |
|------|----------------|---------------------|--------------------------------|-----------------------|
| 2021 | N/A | N/A | N/A | N/A |
| 2020 | 6,363 | N/A | N/A | 8.2% |
| 2019 | 6,376 | 405,545,480 | 63,605 | N/A |
| 2018 | 6,381 | 390,797,964 | 61,244 | 3.3% |
| 2017 | 6,398 | 380,245,936 | 59,432 | 4.3% |
| 2016 | 6,417 | 371,871,567 | 57,951 | 4.9% |
| 2015 | 6,446 | 362,761,542 | 56,277 | 5.5% |
| 2014 | 6,474 | 348,106,980 | 53,770 | 7.2% |
| 2013 | 6,491 | 335,162,785 | 51,635 | 7.1% |
| 2012 | 6,536 | 334,028,816 | 51,106 | 6.8% |

Source:

(a) Population information provided by US Bureau of the Census; Population Division

(b) Personal income calculated using population and per capita personal income

(c) Per Capita personal income provided by the NJ Dept of Labor and Workforce Development

(d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Information not available.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

| | 2021 | | |
|----------------------------------|-----------|------|--------------------------------|
| | EMPLOYEES | RANK | PERCENTAGE OF TOTAL EMPLOYMENT |
| Shamong Township School District | 110 | 1 | N/A |
| Total | 110 | | N/A |
| | 2012 | | |
| | EMPLOYEES | RANK | PERCENTAGE OF TOTAL EMPLOYMENT |
| Shamong Township School District | 122 | 1 | N/A |
| Total | 122 | | N/A |

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Operation Information

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

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**SHAMONG TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR
UNAUDITED**

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Teachers - General Fund | 67.0 | 67.0 | 67.0 | 67.0 | 68.0 | 53.0 | 69.0 | 69.0 | 73.5 | 70.5 |
| Teachers - Special Revenue | - | - | - | - | 0.0 | 20.0 | - | - | - | - |
| Classroom Aides | - | - | - | - | 0.0 | 8.0 | 8.0 | 9.5 | 12.0 | 12.0 |
| Health Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Related Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Extraordinary Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Guidance - Professional | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Child Study Team | 4.0 | 4.0 | 4.0 | 4.0 | 3.0 | 4.0 | 3.0 | 3.0 | 3.8 | 3.8 |
| Child Study Team Support | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Supervisors & Other Professionals | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.8 | 0.4 | 0.4 | 0.2 | 0.2 |
| Media Services/Technology | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 3.8 | 5.0 | 3.0 | 3.0 |
| General District Administrators | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| General Administration Support | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Principals/Assistant Principals | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| School Administration Support | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Central Services - Administrators | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 1.3 | 1.3 | 2.0 | 1.0 | 1.0 |
| Central Services - Support | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 3.3 | 2.2 | 2.2 |
| Operations & Maintenance | 13.0 | 13.0 | 13.0 | 15.0 | 13.0 | 13.0 | 13.0 | 13.0 | 12.5 | 13.5 |
| Total | 109.5 | 109.5 | 109.5 | 111.5 | 110.5 | 123.6 | 117.9 | 122.2 | 125.2 | 123.2 |

Source: District Annual Budget Statement Supporting Documentation

**SHAMONG TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

| FISCAL YEAR | ENROLLMENT | OPERATING EXPENDITURES (a) | COST PER PUPIL | PERCENTAGE CHANGE | TEACHING STAFF (b) | TEACHER/PUPIL RATIO ELEMENTARY | AVERAGE DAILY ENROLLMENT (ADE) (c) | AVERAGE DAILY ATTENDANCE (ADA) (c) | % CHANGE IN AVERAGE DAILY ENROLLMENT | STUDENT ATTENDANCE PERCENTAGE |
|-------------|------------|----------------------------|----------------|-------------------|--------------------|--------------------------------|------------------------------------|------------------------------------|--------------------------------------|-------------------------------|
| 2021 | 699 | \$ 15,578,905 | \$ 22,287 | -1.24% | 67 | 1:10 | 609.0 | 624.0 | -11.61% | 102.46% |
| 2020 | 718 | 15,773,779 | 21,969 | 1.10% | 67 | 1:10 | 689.0 | 662.0 | -6.77% | 96.08% |
| 2019 | 743 | 15,601,681 | 20,998 | 2.71% | 67 | 1:10 | 739.0 | 716.0 | -4.77% | 96.89% |
| 2018 | 760 | 15,190,361 | 19,987 | 7.84% | 67 | 1:10 | 776.0 | 741.0 | -0.08% | 95.49% |
| 2017 | 775 | 14,086,234 | 18,176 | 4.27% | 73 | 1:10 | 776.6 | 663.4 | -2.74% | 85.42% |
| 2016 | 806 | 13,509,710 | 16,761 | 1.61% | 76 | 1:11 | 798.5 | 764.7 | -4.23% | 95.77% |
| 2015 | 834 | 13,295,703 | 15,942 | 0.31% | 81 | 1:10 | 833.8 | 799.4 | -6.90% | 95.87% |
| 2014 | 902 | 13,254,541 | 14,695 | 2.96% | 86 | 1:10 | 895.6 | 854.9 | -0.58% | 95.46% |
| 2013 | 908 | 12,873,169 | 14,177 | 3.60% | 83 | 1:11 | 900.8 | 862.2 | -1.50% | 95.71% |
| 2012 | 919 | 12,425,325 | 13,520 | -4.05% | 83 | 1:11 | 914.5 | 872.7 | -2.27% | 95.43% |

Sources: District records

Note: Enrollment based on annual October District count.

- a. Operating expenditures equal total general fund expenditures
- 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)

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR
UNAUDITED**

| DISTRICT BUILDINGS | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Elementary Schools: | | | | | | | | | | |
| Indian Mills School (1920): | | | | | | | | | | |
| Square Feet | 71,029 | 71,029 | 71,029 | 71,029 | 71,029 | 71,029 | 71,029 | 71,029 | 71,029 | 71,029 |
| Capacity (Students) | 507 | 507 | 507 | 507 | 507 | 507 | 507 | 507 | 507 | 507 |
| Enrollment (a) | 384 | 384 | 409 | 409 | 409 | 409 | 409 | 466 | 466 | 478 |
| Indian Mills Memorial (1991): | | | | | | | | | | |
| Square Feet | 68,543 | 68,543 | 68,543 | 68,543 | 68,543 | 68,543 | 68,543 | 68,543 | 68,543 | 68,543 |
| Capacity (Students) | 471 | 471 | 471 | 471 | 471 | 471 | 471 | 471 | 471 | 471 |
| Enrollment (a) | 334 | 334 | 369 | 391 | 391 | 391 | 391 | 436 | 436 | 430 |
| Other Buildings: | | | | | | | | | | |
| Sewer Plant (1991): | | | | | | | | | | |
| Square Feet | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 | 1,189 |
| Garage at IMS (1953): | | | | | | | | | | |
| Square Feet | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Garage at IMMS (1993): | | | | | | | | | | |
| Square Feet | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |

Number of Schools at June 30, 2021:

- Elementary = 2
- Middle School = 0
- Senior High School = 0
- Other = 3

Source: District Long Range Facility Plan

(a) Source - NJ Dept of Education annual Application for State School Aid Report

N/A - Not Available

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED**

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

| YEAR | IMS | IMMS | OTHER FACILITIES | TOTAL |
|------|-----------|-----------|---------------------|------------|
| 2021 | \$ 82,188 | \$ 69,161 | \$ 106,866 | \$ 258,215 |
| 2020 | 61,161 | 85,321 | 101,554 | 248,036 |
| 2019 | 118,000 | 128,100 | 102,778 | 348,878 |
| 2018 | 100,077 | 110,723 | 99,569 | 310,369 |
| 2017 | 74,417 | 97,042 | 94,401 | 265,860 |
| 2016 | 106,916 | 67,301 | 99,642 | 273,859 |
| 2015 | 84,012 | 98,524 | 103,397 | 285,933 |
| 2014 | 96,085 | 95,154 | 25,274 | 216,513 |
| 2013 | 102,926 | 99,034 | 24,406 | 226,366 |
| 2012 | 91,003 | 103,260 | 23,494 | 217,757 |

Source: District records

**SHAMONG TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
UNAUDITED**

| | COVERAGE | RETENTION | DEDUCTIBLE |
|-------------------------------------|---------------|------------|------------|
| School Package Policy (1): | | | |
| Building & Contents (All Locations) | \$150,000,000 | \$ 250,000 | \$ 500 |
| Boiler & Machinery | 125,000,000 | None | 1,000 |
| Crime | 500,000 | 250,000 | 500 |
| General Automobile Liability | 15,000,000 | 250,000 | None |
| Educators Legal Liability | 15,000,000 | 175,000 | None |
| Workers' Compensation | Statutory | 250,000 | None |
| Pollution Legal Liability | 3,000,000 | None | 25,000 |
| Cyber Liability | 1,000,000 | None | 25,000 |
| Student Accident Insurance (2) | 1,000,000 | None | None |
| | | | |
| Surety Bonds (3) | | | |
| Treasurer | 200,000 | | None |
| Board Secretary | 100,000 | | None |

(1) Burlington County Insurance Pool Joint Insurance Fund (BCIPJIF)

(2) Haines and Hanines/TC Irons Agency

(3) Haines and Hanines/TC Irons Agency

Source: District records

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SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Shamong Township School District (the “School District”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated February 21, 2022.

Internal Control Over Financial Reporting

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

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Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Shamong, New Jersey
February 21, 2022

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major State Program

We have audited the Shamong Township School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2021. The School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the School District’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state

program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

David T. McNally
Certified Public Accountant
Public School Accountant, No. 2616

Shamong, New Jersey
February 21, 2022

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SHAMONG-TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE | FEDERAL FAIN NUMBER | ASSISTANCE LISTING NUMBER | PROGRAM OR AWARD AMOUNT | GRANT PERIOD | BALANCE JUNE 30, 2020 | CASH RECEIVED | BUDGETARY EXPENDITURES | SUB-RECIPIENT EXPENDITURES | REPAYMENT OF PRIOR YEAR BALANCES | (ACCOUNTS RECEIVABLE) 2021 | UNEARNED REVENUE 2021 | DUE TO GRANTOR 2021 |
|--|---------------------------|---------------------------------|----------------------------------|------------------|-----------------------------|------------------|---------------------------|-------------------------------|---|----------------------------------|-----------------------------|---------------------------|
| ENTERPRISE FUND: | | | | | | | | | | | | |
| U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | |
| Food Distribution Program (Noncash Assistance) | 21IN304N1099 | 10-555 | \$ 14,671 | 7/1/20-6/30/21 | \$ - | 14,671 | (14,671) | \$ - | \$ - | \$ - | \$ - | \$ - |
| COVID-19 National School Lunch Program | 21IN304N1099 | 10-555 | 63,141 | 7/1/20-6/30/21 | - | 58,676 | (63,141) | - | - | (4,465) | - | - |
| National School Lunch Program | 20IN304N1099 | 10-555 | 27,823 | 7/1/19-6/30/20 | (7,175) | 7,175 | - | - | - | - | - | - |
| COVID-19 National School Lunch Program | 21IN304N1099 | 10-555 | 5,613 | 3/13/20-6/30/20 | (3,157) | 3,157 | - | - | - | - | - | - |
| COVID-19 Healthy Hunger-Free Kids Act | 21IN304N1099 | 10-555 | 1,259 | 7/1/20-6/30/21 | - | 1,170 | (1,259) | - | - | (89) | - | - |
| Healthy Hunger-Free Kids Act | 20IN304N1099 | 10-555 | 1,756 | 7/1/19-6/30/20 | (419) | 419 | - | - | - | - | - | - |
| COVID-19 Healthy Hunger-Free Kids Act | 21IN304N1099 | 10-555 | 115 | 3/13/20-6/30/20 | (65) | 65 | - | - | - | - | - | - |
| COVID-19 National School Breakfast Program | 21IN304N1099 | 10-555 | 24,245 | 7/1/20-6/30/21 | - | 21,841 | (24,245) | - | - | (2,404) | - | - |
| Total Child Nutrition Cluster | | | | | (10,816) | 107,174 | (103,316) | - | - | (6,958) | - | - |
| Total U.S. Department of Agriculture | | | | | (10,816) | 107,174 | (103,316) | - | - | (6,958) | - | - |
| Total Enterprise Fund Assistance | | | | | (10,816) | 107,174 | (103,316) | - | - | (6,958) | - | - |
| SPECIAL REVENUE FUND: | | | | | | | | | | | | |
| U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION: | | | | | | | | | | | | |
| Title I - Part A | | | | | | | | | | | | |
| Subtotal | S010A200030 | 84-010 | 64,172 | 7/1/20-9/30/21 | - | 64,172 | (64,172) | - | - | - | - | - |
| | S010A190030 | 84-010 | 62,859 | 7/1/19-9/30/20 | (10,882) | 10,882 | (64,172) | - | - | - | - | - |
| | | | | | (10,882) | 75,054 | (64,172) | - | - | - | - | - |
| Title II - Part A, Improving Teacher Quality | S367A200029 | 84-367 | 14,665 | 7/1/20-9/30/21 | - | 14,665 | (14,665) | - | - | - | - | - |
| Title II - Part A, Improving Teacher Quality | S367A190029 | 84-367 | 12,450 | 7/1/19-9/30/20 | (649) | 649 | - | - | - | - | - | - |
| Subtotal | | | | | (649) | 15,314 | (14,665) | - | - | - | - | - |
| Title IV | S424A200031 | 84-424 | 10,000 | 7/1/20-9/30/21 | - | 10,000 | (10,000) | - | - | - | - | - |
| Special Education Cluster: | | | | | | | | | | | | |
| I.D.E.A. Part B, Base Regular | H027A200100 | 84-027A | 181,654 | 7/1/20-9/30/21 | - | 181,654 | (181,654) | - | - | - | - | - |
| I.D.E.A. Part B, Base Regular | H027A190100 | 84-027A | 175,655 | 7/1/19-9/30/20 | (4,824) | 4,824 | - | - | - | - | - | - |
| Subtotal | | | | | (4,824) | 186,478 | (181,654) | - | - | - | - | - |
| I.D.E.A. Preschool Program | H173A200114 | 84-173A | 11,169 | 7/1/20-9/30/21 | - | 11,169 | (11,169) | - | - | - | - | - |
| Total Special Education Cluster | | | | | (4,824) | 197,647 | (192,823) | - | - | - | - | - |
| Comavirus Response and Relief Supplemental Appropriations Act: | | | | | | | | | | | | |
| COVID-19 CARES Emergency Relief Grant | S425D200027 | 84-425D | 44,820 | 3/13/20-9/30/22 | - | 44,820 | (44,820) | - | - | - | - | - |
| Elementary and Secondary School Emergency Relief - ESSER II | S425D210027 | 84-425D | 211,580 | 3/13/20-9/30/23 | - | - | (70,000) | - | - | (70,000) | - | - |
| Learning Acceleration | S425D210027 | 84-425D | 25,000 | 3/13/20-9/30/23 | - | - | (1,780) | - | - | (1,780) | - | - |
| Mental Health | S425D210027 | 84-425D | 45,000 | 3/13/20-9/30/23 | - | - | (3,695) | - | - | (3,695) | - | - |
| Subtotal | | | | | - | 44,820 | (75,475) | - | - | (75,475) | - | - |
| American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III) | S425D210027 | 84-425D | 475,179 | 3/13/20-9/30/23 | - | - | (26,904) | - | - | (26,904) | - | - |
| Total U.S. Department of Education | | | | | (16,355) | 342,835 | (428,859) | - | - | (102,379) | - | - |
| U.S. DEPARTMENT OF TREASURY | | | | | | | | | | | | |
| Corona Virus Relief Fund | SLT0007 | 21-019 | 28,958 | 3/13/20-9/30/22 | - | 28,958 | (28,958) | - | - | - | - | - |
| Corona Virus Relief Fund - Digital Divide | SLT0007 | 21-019 | 4,375 | 7/16/20-10/31/20 | - | 4,375 | (4,375) | - | - | - | - | - |
| Subtotal | | | | | - | 33,333 | (33,333) | - | - | - | - | - |
| Total U.S. Department of Treasury | | | | | - | 33,333 | (33,333) | - | - | - | - | - |
| Total Special Revenue Fund Assistance | | | | | (16,355) | 376,168 | (462,192) | - | - | (102,379) | - | - |
| Total Federal Financial Assistance | | | | | \$ (27,171) | \$ 483,342 | \$ (565,508) | \$ - | \$ - | \$ (109,337) | \$ - | \$ - |

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Shamong Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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 School 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 3. Relationship to Basic Financial Statements

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

**SHAMONG TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26,646) for the general fund and \$70,000 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-------------------------------------|-------------------|---------------------|---------------------|
| General Fund | \$ - | \$ 6,547,393 | \$ 6,547,393 |
| Special Revenue Fund | 392,192 | - | 392,192 |
| Debt Service Fund | - | 34,734 | 34,734 |
| Food Service Fund | 103,316 | 3,158 | 106,474 |
| Total Awards & Financial Assistance | <u>\$ 495,508</u> | <u>\$ 6,585,285</u> | <u>\$ 7,080,793</u> |

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Shamong Township School District had no loan balances outstanding at June 30, 2021.

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

| <u>Assistance Listing Number(s)</u> | <u>FAIN Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------------------|-----------------------|---|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$750,000 _____

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? yes X no

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

| <u>State Grant/Project Number(s)</u> | <u>Name of State Program</u> |
|--------------------------------------|---|
| _____ | State Aid - Public: _____ |
| 495-034-5120-078 | Equalization Aid _____ |
| 495-034-5120-084 | Categorical Security Aid _____ |
| 495-034-5120-089 | Categorical Special Education Aid _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings – N/A

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs – N/A

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – N/A

**SHAMONG TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings – N/A

Federal Awards – N/A

State Financial Assistance – N/A