

**SCHOOL DISTRICT**

**OF**

**STILLWATER TOWNSHIP**

**Stillwater Township School District**  
**Board of Education**  
**Stillwater, Sussex County**  
**New Jersey**

**Annual Comprehensive Financial Report**  
**For The Fiscal Year Ended June 30, 2021**

**Annual Comprehensive**

**Financial Report**

**of the**

**Stillwater Township School District**

**Board of Education**

**Stillwater, New Jersey**

**For the Fiscal Year Ending June 30, 2021**

**Prepared by**

**Stillwater Township School District**

**Board of Education**

**Finance Department**

# OUTLINE OF ACFR

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## OUTLINE OF ACFR

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## **Introductory Section**

# STILLWATER TOWNSHIP BOARD OF EDUCATION

P.O. BOX 12  
904 STILLWATER ROAD  
STILLWATER, NEW JERSEY 07875



TEL: (973) 383-8954 / FAX: (973) 383-1895

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January 26, 2022

The Honorable President and Members  
of the Board of Education  
Stillwater Township School District  
County of Sussex, NJ

Dear Board Members:

The comprehensive annual financial report of the Stillwater Township School District (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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Uniform Guidance, "Audits of State and Local Governments, and New Jersey's State Treasury Circular Letter 15-08-OMB," Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the Auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** Stillwater Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB, Statement No. 14. All funds and account groups of the District are included in this report. The Stillwater Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PK through 6. These include regular, special education for the disabled youngsters, and gifted and talented education. The District completed the 2020-2021 fiscal year with an average enrollment of 272 students, which is an increase in enrollment from the previous years. The following details the changes in the student enrollment of the District over the last five years.



Average Daily Enrollment

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2020-21	272	8.3%
2019-20	251	(-5.6%)
2018-19	266	(-6.5%)
2017-18	286	(-1.4%)
2016-17	289	(-9.1%)

2) ECONOMIC CONDITION AND OUTLOOK: Stillwater Township continues to see little change in the economic character of the community. The rural nature of the municipality will be preserved by the current zoning ordinances. The school population has increased this year due to our ability to offer free preschool through PEA funding. However, with the current economic conditions and lack of increase in state aid, the local taxpayers are affected as the school district tries to maintain the finest educational programs, while still maintaining a responsible fiscal base.

3) MAJOR INITIATIVES: Stillwater School District undertook facility & security improvements during the 2020-2021 fiscal year. Major projects included 1966 section boiler replacement project, soda ash water system install, preschool playground, and seal coating/driveway repairs. There were also security upgrades including window replacements, two sets out outside door replacements, and a security gate install.

The district continues to invest in professional development for teachers in the areas of Reader's and Writer's Workshop and Response to Intervention. These trainings enabled our faculty to identify specific academic needs of our students and provide prescriptive interventions for them to succeed. In light of the pandemic, students experienced education in-person and/or remotely. Due to this, our teachers were trained in a variety of strategies to help facilitate remote learning. In addition to our faculty, training videos were provided to families as well. Appropriate class sizes continued to be maintained. The district also continued to build in funds to support the Makerspace and STEAM programs. By doing so, it allows for all students to access our STEAM curriculum and utilize the Makerspace site.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the 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 canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reserves of fund balance at June 30, 2021.

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

7) DEBT ADMINISTRATION: At June 30, 2021, the District's outstanding debt issues included \$0 of the safe schools loan. All debt for the district has been retired.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements, Note 2" The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the ACT.

The Honorable President and Members  
of the Board of Education  
January 26, 2022  
Page 4

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

10) OTHER INFORMATION:

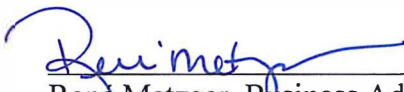
**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLC was appointed by the Stillwater Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and New Jersey's Treasure Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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.

11) ACKNOWLEDGMENTS:

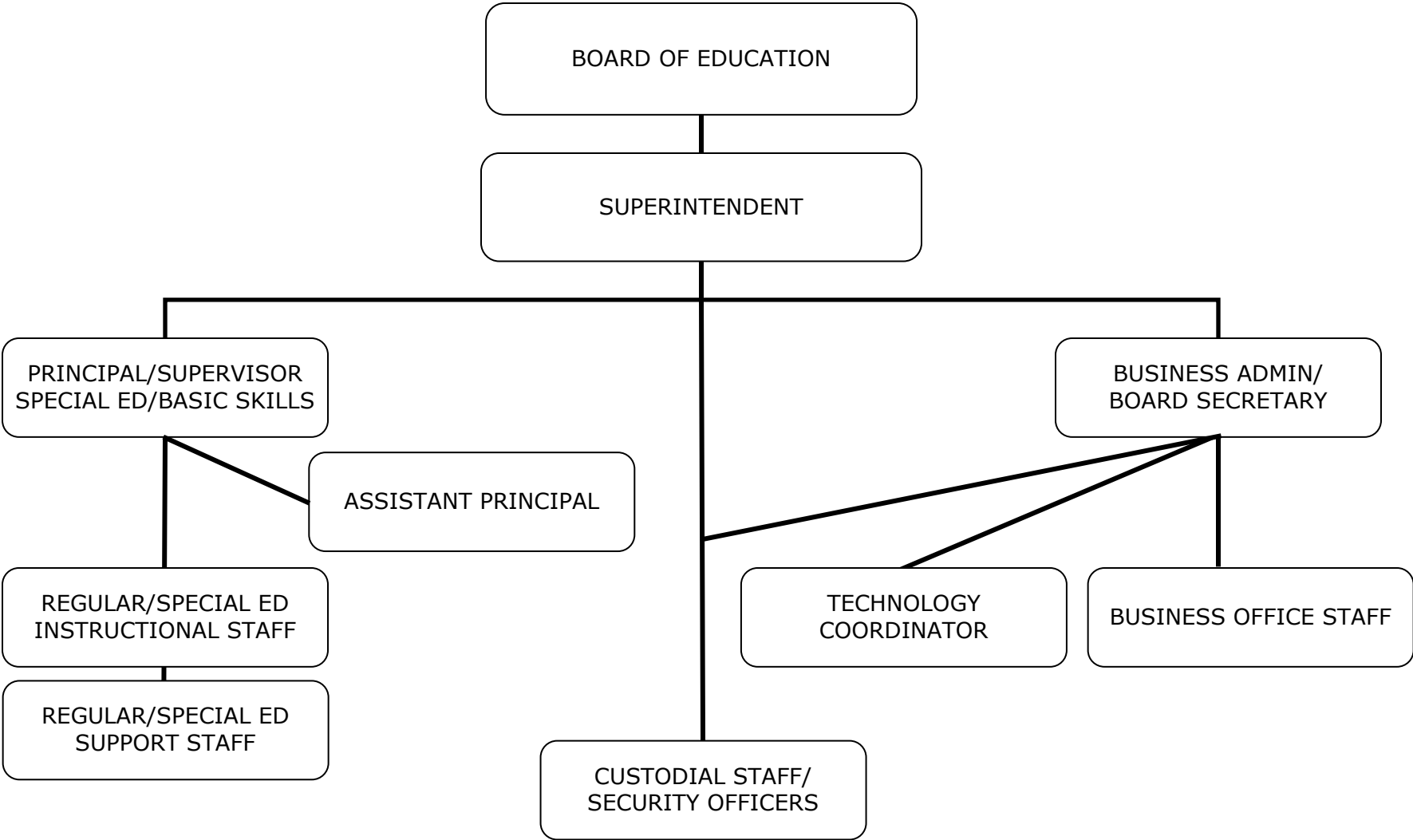
We would like to express our appreciation to the members of the Stillwater Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

  
\_\_\_\_\_  
William Kochis, Superintendent

  
\_\_\_\_\_  
Rene Metzgar, Business Administrator/Board Secretary

# STILLWATER TOWNSHIP BOARD OF EDUCATION



**STILLWATER TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2021**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Dennis DeGroat, <i>President</i>	2023
Danielle LoCascio, <i>Vice-President</i>	2021
Shannon Nothstine	2021
Krista Galante	2023
Jennifer Kraft	2022
Karen Thibault	2022
Joanne Saul	2022
Kathleen Svendsen	2021
Cheryl Williver	2021

**Other Officials**

William Kochis, *Superintendent*

René Metzgar, *Board Secretary/School Business Administrator*

Kathleen Kane, *Treasurer of School Monies*

**STILLWATER TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

**Ardito & Company LLC**  
1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192

**Attorney**

**Sciarrillo Cornell, Merlino, McKeever & Osborne, LLC**  
238 St Paul Street  
Westfield, New Jersey 07090

**Official Depository**

**Lakeland Bank**  
Stillwater Branch  
Route 94  
Newton, New Jersey 07860

**Valley National Bank**  
410 Route 94  
Newton, New Jersey 07860

## **Financial Section**

# **Independent Auditor's Report**





## **ARDITO & COMPANY LLC**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
908-996-4711 Fax: 908-996-4688  
e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

### **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Stillwater Township School District  
County of Sussex  
Newton, New Jersey 07860

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the Stillwater Township School District Board of Education, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

-Continued-

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Stillwater Township School District Board of Education, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

-Continued-

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

In our opinion, the combining and individual fund financial statement information, and schedule of 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 fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 January 26, 2022, on our consideration of the Stillwater Township School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

*Ardito & Company LLC*

ARDITO & COMPANY LLC

January 26, 2022

***Anthony Ardito***

Anthony Ardito

Licensed Public School Accountant No. 2369

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

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

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

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- ◆ In total, Net Position increased \$458,758 which represents a 15.0% increase from 2020.
- ◆ General revenues accounted for \$4,543,110 in revenue or 50.7% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,408,995 or 49.3% of total revenues of \$8,952,105.
- ◆ Total assets of governmental activities increased by \$596,669, as cash and cash equivalents increased by \$152,789, receivables increased by \$145,170, and capital assets increased by \$299,569.
- ◆ The School District had \$8,493,347 in expenses; only \$4,408,995 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$4,543,110 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$7,084,206 in revenues and \$6,990,471 in expenditures. The General Fund's surplus balance increased \$83,735 over 2020, which compares favorably to the budgeted decrease of \$935,719.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Stillwater Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Stillwater Township School District, the General Fund is by far the most significant fund.

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

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

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

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

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
  
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

**Reporting the School District’s Most Significant Funds**

**Fund Financial Statements**

The analysis of the School District’s major funds begins on page 26. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

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

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for 2021 compared to 2020.

**Table 1  
Net Position**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current and Other Assets	\$ 2,386,056	\$ 2,088,956
Capital Assets	<u>2,713,582</u>	<u>2,414,013</u>
<b>Total Assets</b>	<u>5,099,638</u>	<u>4,502,969</u>
 <b>Deferred Outflows of Resources</b>	 <u>151,977</u>	 <u>172,922</u>
 <b>Liabilities</b>		
Long-Term Liabilities	951,865	1,027,823
Other Liabilities	<u>323,743</u>	<u>104,908</u>
<b>Total Liabilities</b>	<u>1,275,608</u>	<u>1,132,731</u>
 <b>Deferred Inflows of Resources</b>	 <u>460,997</u>	 <u>486,908</u>
 <b>Net Position</b>		
Invested in Capital Assets, Net of Debt	2,713,582	2,414,013
Restricted	1,858,765	1,830,848
Unrestricted	<u>(1,057,337)</u>	<u>(1,188,609)</u>
<b>Total Net Position</b>	<u>\$ 3,515,010</u>	<u>\$ 3,056,252</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
UNAUDITED

Total assets of governmental activities increased by \$596,669, as cash and cash equivalents increased by \$152,789, receivables increased by \$145,170, and capital assets increased by \$299,569.

The cash increase was mainly due to operational efficiency towards budget spending, the receivable increase was due to collection of second round COVID grants (CRRSA) in the subsequent year, and the increase in capital assets was due to capital outlay spending for boiler replacement, technology equipment, administrative equipment, and paving projects.

Table 2 shows the changes in Net Position from fiscal year 2020.

**Table 2**  
**Changes in Net Position**

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 48,620	\$ 121,184
Operating Grants and Contributions	4,360,375	3,312,480
General Revenues:		
Property Taxes	4,520,290	4,285,334
Federal & State Aid on Capital Asset Projects		
Investment Earnings	4,148	7,353
Other	<u>18,672</u>	<u>17,318</u>
<b>Total Revenues</b>	<u>8,952,105</u>	<u>7,743,669</u>
<b>Program Expenses</b>		
Instruction	4,812,224	4,250,034
Support Services:		
Tuition	6,241	-
Pupils and Instructional Staff	1,181,380	1,125,448
General Administration, School Administration, Business	844,877	762,331
Operations and Maintenance of Facilities	1,169,184	875,513
Pupil Transportation	260,192	275,774
Business-Type Activities	106,200	61,870
Interest and Fiscal Charges	<u>113,049</u>	<u>121,769</u>
<b>Total Expenses</b>	<u>8,493,347</u>	<u>7,472,739</u>
Increase in Net Position	<u>\$ 458,758</u>	<u>\$ 270,930</u>



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

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 50.5% percent of revenues for governmental activities for the Stillwater Township School District for the fiscal year 2021.

Instruction comprises 56.7% of district expenses. Support services expenses make up 40.8% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Instruction	\$ 4,812,224	\$ 2,156,361	\$ 4,250,034	\$ 2,206,568
Support Services:				
Tuition	6,241	3,538	-	-
Pupils and Instructional Staff	1,181,380	525,863	1,125,448	569,699
General Admin., School Admin., Business	844,877	478,982	762,331	454,801
Operation and Maintenance of Facilities	1,169,184	662,839	875,513	522,325
Pupil Transportation	260,192	147,509	275,774	164,525
Business-Type Activities	106,200	(3,789)	61,870	(612)
Interest and Fiscal Charges	<u>113,049</u>	<u>113,049</u>	<u>121,769</u>	<u>121,769</u>
<b>Total Expenses</b>	<b><u>\$ 8,493,347</u></b>	<b><u>\$ 4,084,352</u></b>	<b><u>\$ 7,472,739</u></b>	<b><u>\$ 4,039,075</u></b>

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

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

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

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

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

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

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 44.8% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 52.5%. The community, as a whole, is the primary support for the Stillwater Township School District.

**The School District's Funds**

Information about the School District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$7,786,838 and expenditures of \$7,712,404. The General Fund's surplus balance increased \$83,735 over 2020, which compares favorably to the budgeted decrease of \$935,719.

**General Fund Budgeting Highlights**

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

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

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$5,845,146, \$21,416 over original budgeted estimates of \$5,823,730. This difference was due primarily to extraordinary aid.

General fund revenues exceeded expenditures by \$56,356. Again this surplus compares to a budgeted deficit of \$935,719, which was due to the budgeted use of surplus and capital reserve needed to balance the 2020-2021 budget. The budgeted deficit was reduced due to cost savings in the areas of instruction, maintenance, administration, transportation, and benefits.

Overall general fund balance (budget basis) was \$2,188,227, and amounts ear-marked and reserved for future purposes were \$1,921,539, creating a surplus in unreserved fund balance of \$266,688. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

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

**Capital Assets**

At the end of the fiscal year 2021, the School District had \$2,713,582 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2021 balances compared to 2020.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	<u>2021</u>	<u>2020</u>
Land	\$ 180,000	\$ 180,000
Land Improvements	322,857	308,708
Buildings and Improvements	1,901,603	1,585,311
Machinery and Equipment	<u>309,122</u>	<u>339,994</u>
 Totals	 <u>\$ 2,713,582</u>	 <u>\$ 2,414,013</u>

Overall capital assets increased \$299,569 from fiscal year 2020 to fiscal year 2021. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$462,348 were purchased during fiscal year 2021, and included boiler replacement, technology equipment, administrative equipment, and paving projects.

**Debt Administration**

At June 30, 2021, the School District had \$84,731 as outstanding long term debt. Of this amount, \$84,731 is for compensated absences.

At June 30, 2021, the School District's overall legal debt margin was \$11,542,834 and the unvoted debt margin was the same.

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

**For the Future**

The Stillwater Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. It has been increasingly difficult to balance educational needs with increases in property tax rates. This problem seems to be statewide and is not exclusive to the Stillwater Township School District. The Stillwater Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden.

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

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact René Metzgar, School Business Administrator/ Board Secretary at Stillwater Township School District, 904 Stillwater Road, Stillwater, NJ, 07875, (973) 383-8954.

## **Basic Financial Statements**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2021

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$1,026,438	\$38,425	\$1,064,863
Receivables, Net	220,751	8,176	228,927
Interfund Receivables	-	-	-
Inventory		4,884	4,884
Restricted Assets:			
Capital & Maint. Reserve Account - Cash	1,087,382		1,087,382
Capital Assets, Net (Note 5):	2,713,582		2,713,582
<b>Total Assets</b>	<b>5,048,153</b>	<b>51,485</b>	<b>5,099,638</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows (Note 7)	151,977		151,977
<b>LIABILITIES</b>			
Accounts Payable	74,229	6,466	80,695
Payroll Deductions and Withholdings Payable	332		332
Unemployment Compensation Claims Payable	695		695
Interfund Payables	-	-	-
Unearned Revenue	239,614	2,407	242,021
Net Pension Liability (Note 7)	867,134		867,134
Noncurrent Liabilities (Note 6):			
Due Beyond One Year	84,731		84,731
<b>Total Liabilities</b>	<b>1,266,735</b>	<b>8,873</b>	<b>1,275,608</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows (Note 7)	460,997		460,997
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,713,582		2,713,582
Restricted for:			
Other Purposes	1,858,765		1,858,765
Unrestricted	(1,099,949)	42,612	(1,057,337)
<b>Total Net Position</b>	<b>\$3,472,398</b>	<b>\$42,612</b>	<b>\$3,515,010</b>

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAM REVENUES		NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	CHARGES	OPERATING	GOVERNMENTAL	BUSINESS-TYPE	TOTAL	
	FOR	GRANTS AND				
EXPENSES	SERVICES	CONTRIBUTIONS	ACTIVITIES	ACTIVITIES		
<b>Functions/Programs</b>						
Governmental Activities:						
Instruction:						
Regular	\$ 3,702,043	\$ 31,183	\$ 2,143,888	\$ (1,526,972)	\$ (1,526,972)	
Special Education	912,461		395,164	(517,297)	(517,297)	
Other Special Instruction	197,720		85,628	(112,092)	(112,092)	
Support Services:						
Tuition	6,241		2,703	(3,538)	(3,538)	
Student & Instruction Related Serv.	1,181,380	6,504	649,013	(525,863)	(525,863)	
School Administrative Services	199,417		86,362	(113,055)	(113,055)	
General and Business Admin. Serv.	645,460		279,533	(365,927)	(365,927)	
Plant Operations and Maintenance	1,169,184		506,345	(662,839)	(662,839)	
Pupil Transportation	260,192		112,683	(147,509)	(147,509)	
Other Fiscal Charges	1,790		-	(1,790)	(1,790)	
Unallocated Depreciation	111,259		-	(111,259)	(111,259)	
Total Governmental Activities	8,387,147	37,687	4,261,319	(4,088,141)	(4,088,141)	
Business-Type Activities:						
Food Service	106,200	\$ 10,933	99,056	\$ 3,789	3,789	
Total Business-Type Activities	106,200	10,933	99,056	3,789	3,789	
Total Primary Government	\$ 8,493,347	\$ 48,620	\$ 4,360,375	\$ (4,088,141)	\$ 3,789	\$ (4,084,352)
General Revenues:						
Taxes:						
Property Taxes. Levied for General Purposes, Net			\$ 4,520,290		\$ 4,520,290	
Investment Earnings			4,095	\$ 53	4,148	
Miscellaneous Revenues			18,683	(11)	18,672	
Transfers			(10,000)	10,000	-	
Total General Revenues, Special Items, Extraor. Items			4,533,068	10,042	4,543,110	
Change in Net Position			444,927	13,831	458,758	
Net Position—Beginning			3,327,570	28,781	3,356,351	
Prior Period Adjustment-See Note 20			(300,099)		(300,099)	
Net Position—Beginning (As Restated)			3,027,471	28,781	3,056,252	
<b>Net Position—Ending</b>			<b>\$ 3,472,398</b>	<b>\$ 42,612</b>	<b>\$ 3,515,010</b>	

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



## **FUND FINANCIAL STATEMENTS**

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

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2021

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,041,719	\$ 72,101	\$ 2,113,820
Receivables from Other Governments	26,817	184,909	211,726
Accounts Receivable, Net	4,025	5,000	9,025
Interfund Receivables	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,072,561</b>	<b>\$ 262,010</b>	<b>\$ 2,334,571</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 10,225	\$ 64,004	\$ 74,229
Payroll Deductions and Withholdings Payable	332		332
Unemployment Compensation Claims Payable	695		695
Interfund Payable	-	-	-
Deferred Revenue	-	239,614	239,614
<b>Total Liabilities</b>	<b>11,252</b>	<b>303,618</b>	<b>314,870</b>
 <b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve Account	887,107		887,107
Maintenance Reserve	200,275		200,275
Excess Surplus	333,470		333,470
Excess Surplus - Designated for Subsequent Year's Expenditures	333,470		333,470
Unemployment Compensation	79,714		79,714
Student Activities		10,115	10,115
<u>Assigned to:</u>			
Year-End Encumbrances	72,889		72,889
General Fund - Designated for Subsequent Year's Expenditures	14,614		14,614
<u>Unassigned:</u>			
General Fund - Unreserved, Undesignated	139,770		139,770
Special Revenue Fund		(51,723)	(51,723)
<b>Total Fund Balances</b>	<b>2,061,309</b>	<b>(41,608)</b>	<b>2,019,701</b>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,072,561</b>	<b>\$ 262,010</b>	<b>\$ 2,334,571</b>

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 \$6,824,446 and the accumulated depreciation is \$4,110,864.

\$ 2,713,582

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7)

151,977

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 7)

(460,997)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(867,134)

Long-term liabilities, such as bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6)

(84,731)

Net Position of governmental activities

\$ 3,472,398

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
<b>Local sources:</b>			
Local Tax Levy	\$ 4,520,290		\$ 4,520,290
Tuition	31,183		31,183
Interest on Capital Reserve	492		492
Miscellaneous	4,169	\$ 24,621	28,790
<b>Total - Local Sources</b>	<b>4,556,134</b>	<b>24,621</b>	<b>4,580,755</b>
<b>State Sources</b>	<b>2,528,072</b>	<b>451,667</b>	<b>2,979,739</b>
<b>Federal Sources</b>		<b>226,344</b>	<b>226,344</b>
<b>Total Revenues</b>	<b>7,084,206</b>	<b>702,632</b>	<b>7,786,838</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Regular Instruction	1,617,976	479,471	2,097,447
Special Education Instruction	528,227		528,227
Other Special Instruction	114,461		114,461
Support services and undistributed costs:			
Tuition	6,241		6,241
Student and Instruction Related Services	546,518	137,387	683,905
School Administrative Services	115,443		115,443
Other Administrative Services	369,708		369,708
Plant Operations and Maintenance	569,559		569,559
Pupil Transportation	260,192		260,192
Unallocated Benefits	2,327,850		2,327,850
Transfer to Charter School	69,837		69,837
<b>Debt Service:</b>			
Principal			
Interest and Other Charges			
<b>Capital Outlay</b>	<b>464,459</b>	<b>105,075</b>	<b>569,534</b>
<b>Total Expenditures</b>	<b>6,990,471</b>	<b>721,933</b>	<b>7,712,404</b>
Excess (Deficiency) of Revenues Over Expenditures	93,735	(19,301)	74,434
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Enterprise Fund	(10,000)		(10,000)
<b>Total Other Financing Sources and Uses</b>	<b>(10,000)</b>		<b>(10,000)</b>
Net Change in Fund Balances	83,735	(19,301)	64,434
Fund Balance—July 1	1,897,860	(31,878)	1,865,982
Prior Period Adjustment-See Note 20	79,714	9,571	89,285
Fund Balance—July 1 (Restated)	1,977,574	(22,307)	1,955,267
<b>Fund Balance—June 30</b>	<b>\$ 2,061,309</b>	<b>\$ (41,608)</b>	<b>\$ 2,019,701</b>

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**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)** \$ 64,434

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	\$ (162,779)	
Capital Outlays	<u>462,348</u>	299,569

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption.

This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 78,615

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned.

2,309

**Change in Net Position of Governmental Activities** **\$ 444,927**

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

June 30, 2021

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b><u>Food Service</u></b>	<b><u>Totals</u></b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and Cash Equivalents	\$ 38,425	\$ 38,425
Accounts Receivable - State and Federal Subsidies	8,044	8,044
Accounts Receivable - Special Functions	132	132
Inventories	4,884	4,884
<b>Total Current Assets</b>	<b><u>51,485</u></b>	<b><u>51,485</u></b>
<b>Noncurrent Assets:</b>		
Furniture, Machinery and Equipment	92,612	92,612
Less Accumulated Depreciation	(92,612)	(92,612)
<b>Total Noncurrent Assets</b>		
	<b><u>51,485</u></b>	<b><u>51,485</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts Payable	6,466	6,466
Deferred Revenue	2,407	2,407
<b>Total Liabilities</b>	<b><u>8,873</u></b>	<b><u>8,873</u></b>
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt		
Unrestricted	42,612	42,612
<b>Total Net Position</b>	<b><u>\$ 42,612</u></b>	<b><u>\$ 42,612</u></b>

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2021

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 10,933	\$ 10,933
Daily Sales - Non- Reimb. Programs	-	-
Miscellaneous	42	42
<b>Total Operating Revenues</b>	<b>10,975</b>	<b>10,975</b>
<b>Operating Expenses:</b>		
Cost of Sales - Reimbursable Programs	52,613	52,613
Cost of Sales - Non-reimbursable Programs		
Salaries and Wages	27,879	27,879
Employee Benefits	7,907	7,907
Other Purchased Professional Services	8,069	8,069
Miscellaneous	1,477	1,477
Supplies, Repairs, and Other Costs	8,255	8,255
Depreciation		
<b>Total Operating Expenses</b>	<b>106,200</b>	<b>106,200</b>
Operating Income (Loss)	(95,225)	(95,225)
<b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	3,651	3,651
Federal Sources:		
National School Lunch Program	68,618	68,618
School Breakfast Program	13,400	13,400
Food Distribution Program	13,387	13,387
<b>Total Nonoperating Revenues (Expenses)</b>	<b>99,056</b>	<b>99,056</b>
Income (Loss) Before Contributions and Transfers	3,831	3,831
Transfers In (Out)	10,000	10,000
Change in Net Position	13,831	13,831
Total Net Position—Beginning	28,781	28,781
<b>Total Net Position—Ending</b>	<b>\$ 42,612</b>	<b>\$ 42,612</b>

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2021

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b><u>Food Service</u></b>	<b><u>Total Enterprise</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 10,975	\$ 10,975
Payments to Employees	(27,879)	(27,879)
Payments for Employee Benefits	(7,907)	(7,907)
Payments to Suppliers	(49,654)	(49,654)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(74,465)</b>	<b>(74,465)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	2,790	2,790
Federal Sources	75,350	75,350
Other Operating Items	10,000	10,000
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>88,140</b>	<b>88,140</b>
Net Increase (Decrease) in Cash and Cash Equivalents	13,675	13,675
Balances—Beginning of Year	24,750	24,750
<b>Balances—End of Year</b>	<b>38,425</b>	<b>38,425</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	(95,225)	(95,225)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	-	-
Federal Commodities	13,387	13,387
(Increase) Decrease in Accounts Receivable, Net	(132)	(132)
(Increase) Decrease in Inventories	634	634
Increase (Decrease) in Accounts Payable	6,871	6,871
Total Adjustments	20,760	20,760
Net Cash Provided by (used for) Operating Activities	\$ (74,465)	\$ (74,465)

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

# **Notes to Financial Statements**



STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provided for the most significant change in financial reporting in over twenty years and was phased-in (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2020.

**A. Reporting Entity:**

The Stillwater Township School District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Stillwater Township School District had an approximate enrollment at June 30, 2021, of 271 students.

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

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

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

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**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.

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

**Enterprise (Food Service) Fund** - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

**Fiduciary Funds** - The Fiduciary Funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting (Continued):**

**Basis of Accounting**

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

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

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

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

**D. Encumbrance Accounting:**

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. **Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**Capital Assets:**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

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

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

**Compensated Absences:**

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

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

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

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

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2021 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

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

**Fund Balance Reserves:**

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

**Revenues—Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest and tuition.



STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2021, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	<u>Cash and Cash Equivalents (A-1)</u>
Capital and Maintenance Reserves	\$ 1,087,382
Checking	<u>1,064,863</u>
	<u>\$ 2,152,245</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$2,152,245 and the bank balance was \$2,678,585. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$500,000 was covered by federal depository insurances and \$2,178,585 was covered by collateral pool.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2021, consisted of intergovernmental accounts. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$26,817	\$27,682
Federal Aid	184,909	192,088
Local-Tuition, etc	9,025	9,157
Gross Receivable	<u>\$220,751</u>	<u>\$228,927</u>
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	<u><u>\$220,751</u></u>	<u><u>\$228,927</u></u>

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2021, consisted of the following:

Food	\$1,665
Supplies	<u>3,219</u>
	<u>\$4,884</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 5: CAPITAL ASSETS**

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

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Land	\$ 180,000			\$ 180,000
Land Improvements	607,277	\$ 34,480		641,757
Buildings and Building Improvements	4,513,883	402,515		4,916,398
Machinery and Equipment	1,060,938	25,353		1,086,291
Total at Historical Cost	<u>6,362,098</u>	462,348	-	<u>6,824,446</u>
Less Accumulated Depreciation for:				
Land Improvements	(298,569)	(20,331)		(318,900)
Building and Improvements	(2,928,572)	(86,223)		(3,014,795)
Equipment	(720,944)	(56,225)		(777,169)
Total Accumulated Depreciation	<u>(3,948,085)</u>	(162,779)		<u>(4,110,864)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>2,414,013</u>	299,569		<u>2,713,582</u>
<b>Government Activity Capital Assets, Net</b>	<u><b>\$ 2,414,013</b></u>	<u><b>\$ 299,569</b></u>		<u><b>\$ 2,713,582</b></u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 5: CAPITAL ASSETS (Continued)**

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 45,679
School Administration	3,951
Plant and Operations	1,890
Unallocated	111,259
Total	<u>\$ 162,779</u>

**NOTE 6: LONG-TERM OBLIGATIONS**

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

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2021, are as follows:

	Balance <u>7/1/20</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/21</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$87,040		(\$2,309)	\$84,731	
<b>Total Other Liabilities</b>	<u>\$87,040</u>	<u>-</u>	<u>(\$2,309)</u>	<u>\$84,731</u>	<u>-</u>

Compensated absences have been liquidated in the General Fund.

The district had no bonds outstanding as of June, 30, 2021.

The district had no bonds authorized but not issued as of June, 30, 2021.

The district had no capital lease liabilities as of June, 30, 2021.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS**

*Description of Plans* - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

*Teachers' Pension and Annuity Fund (TPAF)* - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

*Summary of Significant Accounting Policies* - 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.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) 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 district (employer) 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 district. However, the state's portion of the net pension liability that was associated with the district was \$17,618,486 as measured on June 30, 2020 and \$16,887,919 measured on June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$1,095,592 and revenue of \$1,095,592 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2021 is based upon changes in the collective net pension liability with a measurement period of June 30, 2019 through June 30, 2020. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2019 and June 30, 2020.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

	<u>6/30/2019</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$10,077,460,797	\$9,589,140,982
Collective deferred inflows of resources	\$17,525,379,167	\$14,409,361,877
Collective net pension liability (Nonemployer-State of New Jersey)	\$61,370,943,870	\$65,848,796,740
State's portion of the net pension liability that was associated with the district	\$16,887,919	\$17,618,486
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.027518%	0.026756%

*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%
Therafter	2.75-5.65%
Investment Rate of Return:	7.00%

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.

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.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-US devel.markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yeild	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash equivalentents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Risk mitigation	3.00%	3.40%

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

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2020, calculated using the discount rate shown above, as well as what the State's 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(4.40%)</u>	<u>(5.40%)</u>	<u>(6.40%)</u>
State's Collective Net Pension Liability	\$ 77,517,093,055	\$ 65,993,498,688	\$ 56,425,087,777

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fudiciary net position as of June 30, 2020 was \$21,529,179,998.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

*Amortization of Deferred Outflows and Inflows of Resources* - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in the state's pension expense as follows:

	<u>Year Ended June 30:</u>
2021	(\$262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	<u>(335,285,618)</u>
Total	<u>(\$4,965,440,613)</u>

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2020 are as follows:

Service cost	\$1,643,902,335
Interest on total ension liability	4,680,942,056
Benefit Changes	(16,738,469)
Member contributions	(867,037,595)
Administrative expens	13,511,148
Expected investment return net of investment expenses	(1,525,370,804)
Pension expense related to specific liabilities of individual employers	4,749,837
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	177,152,462
Changes in assumptions	(394,786,992)
Difference between projected and actual investment earnings on pension plan investments	<u>387,432,792</u>
Total pension expense	<u>\$4,103,756,770</u>

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

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



STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2021, the District reported a liability of \$867,134 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability 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 total pension liability for the June 30, 2019 valuation was determined by an experience study for the period July 1, 2014 to June 30, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2020 and 2019. At June 30, 2020, the District's proportion was 0.00532% which was a decrease of 0.0001% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of (\$13,419). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 15,789	\$ 3,067
Changes of assumptions	28,131	363,077
Net difference between projected and actual earnings on pension plan investments	29,639	-
Changes in proportion and differences between District contributions and proportionate share of contributions	20,248	94,853
District contributions subsequent to the measurement date	58,170	
Total	<u>\$ 151,977</u>	<u>\$ 460,997</u>

\$58,170 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability measured as of June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2021	(\$136,555)
2022	(124,496)
2023	(71,146)
2024	(28,770)
2025	<u>(6,222)</u>
Total	<u>(\$367,190)</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

	<u>6/30/2019</u>	<u>6/30/2020</u>
Collective deferred outflows of resources	\$3,149,522,616	\$2,347,583,337
Collective deferred inflows of resources	7,645,087,574	7,849,949,467
Collective net pension liability (Non State - Local Group)	\$18,018,482,972	\$16,307,384,832
District's portion of net pension liability	\$940,783	\$867,134
District's proportion %	0.00522121%	0.00531743%

*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 actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00%-6.00% based on years of service
Therafter	3.00%-7.00% based on years of service
Investment Rate of Return:	7.00%

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

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

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-US devel.markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yeild	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Risk mitigation	3.00%	3.40%

*Discount rate* - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 1,091,577	\$867,134	\$ 676,688

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2020 are as follows:

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

Service cost	(\$26,530)
Interest on total Pension liability	(86,444)
Benefit Changes	593
Member contributions	18,858
Administrative expens	(451)
Expected investment return net of investment expenses	50,888
Pension expense related to specific liabilities of individual employers	236
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	(6,095)
Changes in assumptions	44,895
Difference between projected and actual investment earnings on pension plan investments	<u>(9,369)</u>
Total pension expense	<u>(\$13,419)</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

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

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 7: PENSION PLANS (Continued)**

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2021	\$58,170	100 %	-0-
6/30/2020	\$51,144	100	-0-
6/30/2019	\$55,449	100	-0-

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/2021	\$767,842	100 %	-0-
6/30/2020	\$597,673	100	-0-
6/30/2019	\$552,854	100	-0-

During the fiscal year ended June 30, 2021, the State of New Jersey did contribute \$1,008,374 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$203,307 during the year ended June 30, 2021, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**Note 8: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefit for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPES 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.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Note 8: POST-RETIREMENT BENEFITS-(Continued)**

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 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 are the responsibility of the individual local education employers.

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

**Actuarial assumptions and other imputes** The June 30, 2021 GASB 75 reporting is based on a measurement date of June 30, 2020. 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 used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 - June 30, 2018, for TPAF and PERS, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases Through 2026:	1.55-4.45% TPAF 2.00-6.00% PERS Based on service years
Salary Increases Thereafter:	1.55-4.45% TPAF 3.00-7.00% PERS Based on service years
Discount rate (2020)	2.21%
Discount rate (2019)	3.50%
Healthcare cost trend rates (PPO Plans)	5.6% decreasing to 4.5% after seven years
Healthcare cost trend rates (Self-insured post 65 PPO Plans)	4.50%
Healthcare cost trend rates (HMO Plans)	5.6% decreasing to 4.5% after seven years
Healthcare cost trend rates (Prescription Drug Benefits)	7.0% decreasing to 4.5% after seven years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	4.50%
Retirees' share of benefit related Costs	Projected health insurance premiums for retirees based on the retiree's annual retirement benefit and level of coverage

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Note 8: POST-RETIREMENT BENEFITS-(Continued)**

The discount rate for June 30, 2020 and 2019 was 2.21% and 3.50%, respectively. 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.

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-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality-table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2019</b>	<b>\$41,729,081,045</b>
<u>Changes for the year:</u>	
Service Cost	1,790,973,822
Interest on the Total OPEB Liability	1,503,341,357
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Gross Benefit Payments	(1,180,515,618)
Contributions from Members	<u>35,781,384</u>
Net changes	<u>26,080,881,563</u>
<b>The State's Total OPEB Liability Balance at 6/30/2020</b>	<b><u>\$67,809,962,608</u></b>
<b>The State's total OPEB liability attributable to the District:</b>	<b>\$23,375,035</b>

There were no changes of benefit terms.

Changes of assumptions and other inputs reflects a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020 and other changes.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1- percentage-point higher than the current discount rate:

	June 30, 2020		
	At 1% Decrease <u>1.21%</u>	At Discount Rate <u>2.21%</u>	At 1% Increase <u>3.21%</u>
Total OPEB Liability (School Retirees)	\$81,748,410,002	\$67,809,962,608	\$56,911,439,160



STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Note 8: POST-RETIREMENT BENEFITS-(Continued)**

	June 30, 2019		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Total OPEB Liability (School Retirees)	\$49,298,534,898	\$41,729,081,045	\$35,716,321,820

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2020		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$54,738,488,540	\$67,809,962,608	\$83,375,182,975

	June 30, 2019		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$34,382,902,820	\$41,729,081,045	\$51,453,912,586

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

For the year ended June 30, 2020, the board of education recognized OPEB expense and related revenue of \$968,018 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$10,295,318,750	(\$9,170,703,615)
Changes of assumptions or other inputs	<u>11,534,251,250</u>	<u>(7,737,500,827)</u>
Total	<u>\$21,829,570,000</u>	<u>(\$16,908,204,442)</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Note 8: POST-RETIREMENT BENEFITS-(Continued)**

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

Year ended 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>\$4,921,365,558</u>

**NOTE 9: DEFERRED COMPENSATION**

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, 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:

Equitable  
Financial Planning

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

The District support staff are granted sick leave in varying amounts under the District's contracted personnel policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service and provide for payment based upon predetermined rates and allowable days and upon retirement in the state pension system.

In the district-wide *Statement of Assets*, the liabilities whose average maturities are greater than one year should be reported in two components--the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the proprietary fund types.

**NOTE 10: RISK MANAGEMENT**

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

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 10: RISK MANAGEMENT - (Continued)**

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2020-2021	\$144	\$6,153	\$5,602	\$80,409
2019-2020	\$10,152	\$6,221	22,623	\$79,714
2018-2019	\$178	\$6,378	19,619	\$85,964

**NOTE 11: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

In the normal course of operations, the Board is involved in various civil disputes. Management is of the opinion that any outcome resulting from these actions would not have a material effect on the District's financial position.

**NOTE 12: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$2,061,309 General Fund fund balance at June 30, 2021, \$72,889 is reserved for encumbrances; \$666,940 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7, as amended; (\$333,470 of the excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022), \$887,107 has been reserved in the Capital Reserve Account; \$200,275 has been reserved in the Maintenance Reserve Account; \$14,614 has been appropriated and included as anticipated revenue for the year ending June 30, 2022; \$79,714 is reserved for unemployment compensation; and \$139,770 is unreserved and undesignated.

**NOTE 13: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Township of Stillwater Board of Education by inclusion in the FY 2000-2001 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 13: CAPITAL RESERVE ACCOUNT - (Continued)**

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(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	\$ 873,873
Deposits (PL 2007 c.62 (A1)): Board Resolution 6/28/2021	361,987
Budgeted Withdrawals	(349,245)
Interest Earnings	492
Ending Balance, June 30, 2021	<u>\$ 887,107</u>

**NOTE 14: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the School District Board of Education in fiscal year 2021, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$ 200,000
Interest Earnings	<u>275</u>
Ending balance June 30, 2021	<u>\$ 200,275</u>

**NOTE 15: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$333,470.

**NOTE 16: INTERFUND RECEIVABLES AND PAYABLES**

There are no interfund balances remaining on the balance sheet at June 30, 2021

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 17: TAX ABATEMENTS**

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

**NOTE 19: DEFICIT FUND BALANCES**

The District has a deficit fund balance (Exhibit B-1) of \$41,608 in the Special Revenue Fund as of June 30, 2021, as reported in the fund statements (modified accrual basis). P.L.2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No.33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficits do not alone indicate that the district is facing financial difficulties.

**NOTE 20: PRIOR PERIOD ADJUSTMENT**

**Restatement of Prior Period:**

As the Unemployment Fund does not meet the definition of a fiduciary activity prescribed in GASB No. 84 paragraph 11, the Unemployment Fund is to be reported in the general fund. However, these funds are restricted pursuant to N.J.S.A. 43:21-7.3(g). Accordingly, as use of these funds are restricted by statute, any unemployment net position at 7/1/2020 should be classified as restricted fund balance in the general fund.

As the Student Activities Fund does not meet the definition of a fiduciary activity prescribed in GASB No. 84 paragraph 11, the Student Activities Fund is to be reported in the special revenue fund. N.J.A.C. 6A:23A-16.12 governs the establishment and operation of the Student Activity Fund restricting expenditures within the fund and prohibiting the transfer of any unspent balances to any other fund.

As an ongoing process of maintaining records in accordance with GASB#34, the district conducted a physical appraisal of capital assets as of June 30, 2021. The appraisal revealed asset activity that that should be recorded as of June 30, 2020. Accordingly, a restatement of Net Position as of June 30, 2020 was necessary.

**Governmental Activities Net Position:**

Net Position (per A-2), June 30, 2020	\$ 3,327,570
Restricted fund balance for Unemployment Claims per GASB No. 84	79,714
Restricted fund balance for Student Activities per GASB No. 84	9,571
Restatement of Capital Assets	<u>(389,384)</u>
Net Position (per A-2), June 30, 2020, as Restated	<u>\$ 3,027,471</u>

STILLWATER TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**NOTE 20: PRIOR PERIOD ADJUSTMENT - (Continued)**

<u>Governmental Funds:</u>	
Fund Balance (per B-2), June 30, 2020	\$ 1,865,982
Restricted fund balance for Unemployment Claims per GASB No. 84	79,714
Restricted fund balance for Student Activities per GASB No. 84	<u>9,571</u>
Fund Balance (per B-2), June 30, 2020, as Restated	<u>\$ 1,955,267</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**



STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 4,520,290		\$ 4,520,290	\$ 4,520,290	
Tuition From Individuals	-		-	-	\$ -
Tuition	30,000		30,000	31,183	1,183
Interest on Capital Reserve	500	\$ 267	767	492	(275)
Miscellaneous	2,000		2,000	4,169	2,169
<b>Total - Local Sources</b>	<b>4,552,790</b>	<b>267</b>	<b>4,553,057</b>	<b>4,556,134</b>	<b>3,077</b>
<b>State Sources:</b>					
Equalization Aid	874,844		874,844	874,844	
Transportation Aid	151,123		151,123	151,123	
Special Education Aid	211,181		211,181	211,181	
Security Aid	33,792		33,792	33,792	
Other State Aid				18,072	18,072
TPAF Pension Contrib. (On-Behalf - Non-Budgeted)				767,532	767,532
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				240,532	240,532
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				310	310
TPAF Social Security (Reimbursed - Non-Budgeted)				203,307	203,307
<b>Total State Sources</b>	<b>1,270,940</b>		<b>1,270,940</b>	<b>2,500,693</b>	<b>1,229,753</b>
<b>TOTAL REVENUES</b>	<b>\$ 5,823,730</b>	<b>\$ 267</b>	<b>\$ 5,823,997</b>	<b>\$ 7,056,827</b>	<b>\$ 1,232,830</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	247,072	(864)	246,208	243,170	3,038
Grades 1-5 - Salaries of Teachers	1,053,253	(10,754)	1,042,499	1,036,225	6,274
Grades 6-8 - Salaries of Teachers	210,748	22,179	232,927	227,366	5,561
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional - Educational Services	35,500		35,500	13,873	21,627
Purchased Technical Services	24,370	(8,452)	15,918	15,918	
General Supplies	94,766	5,482	100,248	77,905	22,343
Textbooks	5,793		5,793	3,519	2,274
Other Objects					
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,671,502</b>	<b>7,591</b>	<b>1,679,093</b>	<b>1,617,976</b>	<b>61,117</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	53,874		53,874	53,124	750
LLD Supply	324		324	100	224
<b>Total Learning and/or Language Disabilities</b>	<b>54,198</b>		<b>54,198</b>	<b>53,224</b>	<b>974</b>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	66,780		66,780	66,120	660
Other Salaries for Instruction	15,183		15,183	13,218	1,965
General Supplies	688		688	475	213
<b>Total Behavioral Disabilities</b>	<b>82,651</b>		<b>82,651</b>	<b>79,813</b>	<b>2,838</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	361,248	(7,551)	353,697	351,470	2,227
General Supplies	2,895	3,179	6,074	5,938	136
<b>Total Resource Room/Resource Center</b>	<b>364,143</b>	<b>(4,372)</b>	<b>359,771</b>	<b>357,408</b>	<b>2,363</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Preschool Disabilities - Full Time:</b>					
Salaries of Teachers	37,073		37,073	37,072	1
Other Salaries for Instruction					
General Supplies	225	485	710	710	
<b>Total Preschool Disabilities - Part Time</b>	<b>37,298</b>	<b>485</b>	<b>37,783</b>	<b>37,782</b>	<b>1</b>
<b>Home Instruction:</b>					
Salaries of Teachers	2,000		2,000		2,000
<b>Total Home Instruction</b>	<b>2,000</b>		<b>2,000</b>		<b>2,000</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>540,290</b>	<b>(3,887)</b>	<b>536,403</b>	<b>528,227</b>	<b>8,176</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	103,237	(2,820)	100,417	100,415	2
General Supplies	1,148	5,056	6,204	6,061	143
<b>Total Basic Skills/Remedial - Instruction</b>	<b>104,385</b>	<b>2,236</b>	<b>106,621</b>	<b>106,476</b>	<b>145</b>
<b>School-Sponsored Co/Extra-Curr. Activities-Instruction:</b>					
Salaries	30,999	(10,847)	20,152	7,841	12,311
Purchased Services (300-500 Series)	550		550		550
General Supplies	1,000		1,000	144	856
<b>Total School-Sponsored Co/Extra-Curr. Act.-Instruction</b>	<b>32,549</b>	<b>(10,847)</b>	<b>21,702</b>	<b>7,985</b>	<b>13,717</b>
<b>Summer School:</b>					
Salaries	11,900		11,900		11,900
General Supplies	1,000		1,000		1,000
<b>Total Summer School</b>	<b>12,900</b>		<b>12,900</b>		<b>12,900</b>
<b>TOTAL INSTRUCTION</b>	<b>2,361,626</b>	<b>(4,907)</b>	<b>2,356,719</b>	<b>2,260,664</b>	<b>96,055</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEAs Within the State-Special		6,241	6,241	6,241	
<b>Total Instruction</b>		<b>6,241</b>	<b>6,241</b>	<b>6,241</b>	
<b>Attendance and Social Work:</b>					
Salaries	24,527		24,527	23,397	1,130
<b>Total Attendance and Social Work</b>	<b>24,527</b>		<b>24,527</b>	<b>23,397</b>	<b>1,130</b>
<b>Health Services:</b>					
Salaries	82,300		82,300	80,186	2,114
Purchased Professional and Technical Services	3,850		3,850	1,800	2,050
Supplies and Materials	3,000	114	3,114	2,704	410
Other Objects	310		310	110	200
<b>Total Health Services</b>	<b>89,460</b>	<b>114</b>	<b>89,574</b>	<b>84,800</b>	<b>4,774</b>
<b>Other Supp. Services Students-Related Services:</b>					
Salaries	71,775		71,775	71,775	
Purchased Professional - Educational Services	21,090		21,090	17,774	3,316
Supplies and Materials	1,422		1,422	1,387	35
<b>Total Other Supp. Services Students-Related Services</b>	<b>94,287</b>		<b>94,287</b>	<b>90,936</b>	<b>3,351</b>
<b>Other Supp. Services Students-Extra Services:</b>					
Salaries	97,365	(1,500)	95,865	63,563	32,302
Purchased Professional - Educational Services	10,000	(2,319)	7,681	7,681	
<b>Total Other Supp. Services Students-Extra Services</b>	<b>107,365</b>	<b>(3,819)</b>	<b>103,546</b>	<b>71,244</b>	<b>32,302</b>
<b>Other Supp. Services Students-Regular:</b>					
Purchased Professional and Technical Services	2,214	(6)	2,208	100	2,108
Supplies and Materials	575	6	581	581	
<b>Total Other Supp. Services Students-Regular</b>	<b>2,789</b>		<b>2,789</b>	<b>681</b>	<b>2,108</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	139,231		139,231	139,080	151
Salaries of Secretarial and Clerical Assistants	45,102		45,102	44,162	940
Purchased Professional - Educational Services	24,405		24,405	19,436	4,969
Other Purchased Services (400-500 series)	300		300		300
Supplies and Materials	1,280		1,280	467	813
Other Objects	775		775	120	655
<b>Total Other Supp. Services Students-Special</b>	<b>211,093</b>		<b>211,093</b>	<b>203,265</b>	<b>7,828</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Improvement of Instruction Services:</b>					
Salaries of Supervisors of Instructional Staff	9,052		9,052	9,052	
Salaries of Other Professional Staff		680	680	680	
Salaries of Secretarial and Clerical Assistants	8,421		8,421	8,421	
Other Purchased Services (400-500 series)	500		500	19	481
Supplies and Materials					
<b>Total Improvement of Instruction Services</b>	<b>17,973</b>	<b>680</b>	<b>18,653</b>	<b>18,172</b>	<b>481</b>
<b>Educational Media Services/School Library:</b>					
Salaries of Technology Coordinators	22,675		22,675	21,474	1,201
Purchased Services (300-500 Series)	30,800	(52)	30,748	15,617	15,131
Supplies and Materials	4,425	52	4,477	3,285	1,192
<b>Total Educational Media Services/School Library</b>	<b>57,900</b>		<b>57,900</b>	<b>40,376</b>	<b>17,524</b>
<b>Instructional Staff Training Services:</b>					
Other Purchased Services (400-500 series)	23,200	(680)	22,520	13,647	8,873
<b>Total Instructional Staff Training Services</b>	<b>23,200</b>	<b>(680)</b>	<b>22,520</b>	<b>13,647</b>	<b>8,873</b>
<b>Supp. Services - General Administration:</b>					
Salaries	124,152	69	124,221	123,081	1,140
Legal Services	23,910		23,910	13,183	10,727
Audit Fees	13,145		13,145	13,134	11
Other Purchased Professional Services	10,115		10,115	7,358	2,757
Communications/Telephone	13,805		13,805	11,073	2,732
Board of Ed. Other Purchased Services	2,225		2,225		2,225
Other Purchased Services (400-500 series)	24,755		24,755	21,612	3,143
General Supplies	2,250		2,250	1,028	1,222
Judgements		1,500	1,500	1,500	
Miscellaneous Expenditures	4,252		4,252	1,467	2,785
Board of Ed. Dues and Fees	5,975	(69)	5,906	4,092	1,814
<b>Total Supp. Services - General Administration</b>	<b>224,584</b>	<b>1,500</b>	<b>226,084</b>	<b>197,528</b>	<b>28,556</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	81,280	(121)	81,159	81,159	
Salaries of Secretarial and Clerical Assistants	21,528		21,528	21,527	1
Purchased Professional and Technical Services	9,200	(183)	9,017	6,111	2,906
Other Purchased Services (400-500 series)	500		500		500
Supplies and Materials	3,555	1,199	4,754	4,443	311
Other Objects	3,230	(895)	2,335	2,203	132
<b>Total Support Services - School Administration</b>	<b>119,293</b>		<b>119,293</b>	<b>115,443</b>	<b>3,850</b>
<b>Central Services:</b>					
Salaries	120,661	(1,862)	118,799	118,399	400
Purchased Professional Services	17,950	8,765	26,715	25,390	1,325
Miscellaneous Purchased Services (400-500 series)	2,265		2,265	91	2,174
Supplies and Materials	3,000		3,000	2,780	220
Other Objects	3,480	(765)	2,715	1,910	805
<b>Total Central Services</b>	<b>147,356</b>	<b>6,138</b>	<b>153,494</b>	<b>148,570</b>	<b>4,924</b>
<b>Administrative Information Technology:</b>					
Salaries	5,062	7,178	12,240	12,240	
Purch Tech Svcs	12,824	(624)	12,200	9,889	2,311
Supplies and Materials	1,000	481	1,481	1,481	
<b>Total Administrative Information Technology</b>	<b>18,886</b>	<b>7,035</b>	<b>25,921</b>	<b>23,610</b>	<b>2,311</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	70,002	(2,150)	67,852	64,554	3,298
Cleaning, Repair and Maintenance Services	40,100	31,116	71,216	71,216	
Lead Testing of Drinking Water					
General Supplies	10,000	4,227	14,227	14,030	197
<b>Total Required Maintenance for School Facilities</b>	<b>120,102</b>	<b>33,193</b>	<b>153,295</b>	<b>149,800</b>	<b>3,495</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	167,731	(725)	167,006	147,630	19,376
Purchased Professional and Technical Services	5,600	965	6,565	6,565	
Cleaning, Repair and Maintenance Services	39,650	(5,315)	34,335	32,271	2,064
Insurance	30,860	737	31,597	31,597	
Miscellaneous Purchased Services	12,250	(662)	11,588	4,688	6,900
General Supplies	24,500	12,476	36,976	35,417	1,559
Energy (Electricity)	66,900	(11,144)	55,756	32,594	23,162
Energy (Oil)	131,000	(7,741)	123,259	58,698	64,561
Other Objects	2,925		2,925	2,267	658
<b>Total Other Operations and Maintenance of Plant</b>	<b>481,416</b>	<b>(11,409)</b>	<b>470,007</b>	<b>351,727</b>	<b>118,280</b>
<b>Care and Upkeep of Grounds:</b>					
Purchased Professional and Technical Services	5,000	1,435	6,435	3,863	2,572
Grounds Repair	3,500	215	3,715	814	2,901
General Supplies	5,500		5,500	4,254	1,246
<b>Total Care and Upkeep of Grounds</b>	<b>14,000</b>	<b>1,650</b>	<b>15,650</b>	<b>8,931</b>	<b>6,719</b>
<b>School Security:</b>					
Salaries	80,000	(20,000)	60,000	55,675	4,325
Purchased Professional and Technical Services	7,900	(5,000)	2,900	443	2,457
Cleaning, Repair and Maintenance Services	3,000		3,000	82	2,918
General Supplies	5,500		5,500	2,901	2,599
<b>Total School Security</b>	<b>96,400</b>	<b>(25,000)</b>	<b>71,400</b>	<b>59,101</b>	<b>12,299</b>
<b>Student Transportation Services</b>					
Sal. For Pupil Trans (Bet Home & Sch)-Reg.	14,369		14,369	14,369	
Management Fee	1,200		1,200	675	525
Contr Serv. - Aid in Lieu Payments	4,000		4,000	2,000	2,000
Contr Serv. - Aid in Lieu Payments - Charter Sch.	3,000		3,000	2,200	800
Contracted Services (Between Home and School)-Vendors	237,912		237,912	229,977	7,935
Contracted Services (Other than Between Home and School)-Vendors	18,617	(4,882)	13,735		13,735
Contracted Services (Between Home and Sch)-Joint Agrmnts.	6,000	4,882	10,882	10,882	
Contracted Services (Special Education Students)-Joint Agrmnts.		89	89	89	
Contracted Services (Spl Ed Students)-ESCs & CTSA's	30,000	(89)	29,911		29,911
Transportation Supplies					
<b>Total Student Transportation Services</b>	<b>315,098</b>		<b>315,098</b>	<b>260,192</b>	<b>54,906</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
Unused Sick Payment to Terminated/Retired Staff	19,250	(2,922)	16,328		16,328
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	80,000		80,000	61,142	18,858
Other Retirement Contributions - Regular	68,000		68,000	65,886	2,114
Unemployment					
Workmen's Compensation	45,440		45,440	36,037	9,403
Health Benefits	1,068,065	(21,137)	1,046,928	920,481	126,447
Tuition Reimbursement	20,000		20,000	14,290	5,710
Other Employee Benefits	20,000		20,000	18,333	1,667
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,301,505</b>	<b>(21,137)</b>	<b>1,280,368</b>	<b>1,116,169</b>	<b>164,199</b>
On-behalf TPAF pension Contrib. (non-budgeted)				767,532	(767,532)
On-behalf TPAF PRM Contrib. (non-budgeted)				240,532	(240,532)
On-behalf TPAF pension LTD Ins. (non-budgeted)				310	(310)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				203,307	(203,307)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>1,211,681</b>	<b>(1,211,681)</b>
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<b>1,320,755</b>	<b>(24,059)</b>	<b>1,296,696</b>	<b>2,327,850</b>	<b>(1,031,154)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>3,486,484</b>	<b>(8,416)</b>	<b>3,478,068</b>	<b>4,195,511</b>	<b>(717,443)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>5,848,110</b>	<b>(13,323)</b>	<b>5,834,787</b>	<b>6,456,175</b>	<b>(621,388)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Community Operations Equipment		33,891	33,891		33,891
Grades 1-5	6,800	970	7,770	7,770	
Resource Room/Resource Center					
Undist.Expend.-Instruction					
Undistributed Expenditures-Admin. Info Tech.	17,440	143	17,583	17,583	
<b>Total Equipment</b>	<b>24,240</b>	<b>35,004</b>	<b>59,244</b>	<b>25,353</b>	<b>33,891</b>



STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Facilities Acquisition and Construction Serv.:</b>					
Legal Services	1,000		1,000	322	678
Architectural/Engineering Services	25,000	7,000	32,000	15,643	16,357
Other Purchased and Technical Services					
Construction Services	699,971	(244,455)	455,516	421,351	34,165
FAC AQU GEN SUP					
Assessment for Debt Service on SDA Funding	1,790		1,790	1,790	
<b>Total Facilities Acquisition and Construction Serv.</b>	<b>727,761</b>	<b>(237,455)</b>	<b>490,306</b>	<b>439,106</b>	<b>51,200</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>752,001</b>	<b>(202,451)</b>	<b>549,550</b>	<b>464,459</b>	<b>85,091</b>
Transfer of Funds to Charter Schools	159,338		159,338	69,837	89,501
<b>TOTAL EXPENDITURES</b>	<b>6,759,449</b>	<b>(215,774)</b>	<b>6,543,675</b>	<b>6,990,471</b>	<b>(446,796)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(935,719)</b>	<b>216,041</b>	<b>(719,678)</b>	<b>66,356</b>	<b>786,034</b>
<b>Other Financing Sources:</b>					
<b>Operating Transfer In/(Out):</b>					
Transfer to Food Service Fund		(10,000)	(10,000)	(10,000)	
<b>Total Other Financing Sources:</b>		<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(935,719)</b>	<b>206,041</b>	<b>(729,678)</b>	<b>56,356</b>	<b>786,034</b>
<b>Fund Balance, July 1</b>	<b>2,052,157</b>		<b>2,052,157</b>	<b>2,052,157</b>	
<b>Prior Period Adjustment-Unemployment Fund Net Position as of June 30, 2020</b>	<b>79,714</b>		<b>79,714</b>	<b>79,714</b>	
<b>Fund Balance, July 1 (Restated)</b>	<b>2,131,871</b>		<b>2,131,871</b>	<b>2,131,871</b>	
<b>Fund Balance, June 30</b>	<b>\$ 1,196,152</b>	<b>\$ 206,041</b>	<b>\$ 1,402,193</b>	<b>\$ 2,188,227</b>	<b>\$ 786,034</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 887,107	
Maintenance Reserve				200,275	
Excess Surplus				333,470	
Excess Surplus- Designated for Subsequent Year's Expenditures				333,470	
Unemployment Compensation				79,714	
<b>Assigned to:</b>					
Year-End Encumbrances				72,889	
Designated for Subsequent Year's Expenditures				14,614	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>266,688</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				2,188,227	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payments not recognized on GAAP basis				<u>(126,918)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u><u>\$ 2,061,309</u></u>	

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2021

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources		\$ 60,574	\$ 60,574	\$ 34,622	\$ (25,952)
State Sources	\$ 517,257	35,141	552,398	478,055	(74,343)
Federal Sources	119,146	240,089	359,235	226,344	(132,891)
<b>Total Revenues</b>	<b>636,403</b>	<b>335,804</b>	<b>972,207</b>	<b>739,021</b>	<b>(233,186)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Instructional Salaries	226,018	14,823	240,841	219,849	20,992
Other Salaries for Instruction	81,929	1,837	83,766	73,532	10,234
Supplies	90,028	121,781	211,809	196,401	15,408
Other Objects	650	15,837	16,487		16,487
<b>Total Instruction</b>	<b>398,625</b>	<b>154,278</b>	<b>552,903</b>	<b>489,782</b>	<b>63,121</b>
<b>Support Services</b>					
Salaries of Program Directors	10,351	14,375	24,726	10,320	14,406
Salaries of Other Professional Staff	2,312	26,200	28,512	2,684	25,828
Salaries of Master Teachers	25,000	(14,406)	10,594	10,594	
Employee Benefits	73,960	(39,797)	34,163	34,163	
Purchased Educational Services	20,735	4,770	25,505	25,505	
Professional Tech Services	22,048	43,518	65,566	12,695	52,871
Cleaning Repairs and Maintenance	8,658		8,658	2,555	6,103
Other Purchased Services	16,368	7,997	24,365	16,645	7,720
Supplies and Materials	13,346	11,515	24,861	18,920	5,941
Other Objects		756	756	756	
Student Activities		16,075	16,075	5,960	10,115
<b>Total Support Services</b>	<b>192,778</b>	<b>71,003</b>	<b>263,781</b>	<b>140,797</b>	<b>122,984</b>
<b>Facilities Acq. and Const. Services:</b>					
Buildings		68,599	68,599	28,695	39,904
Instructional Equipment	35,000	41,380	76,380	76,380	
Non-Instructional Equipment	10,000		10,000	2,823	7,177
<b>Total Facilities Acq. and Const. Svs</b>	<b>45,000</b>	<b>109,979</b>	<b>154,979</b>	<b>107,898</b>	<b>47,081</b>
<b>Total Expenditures</b>	<b>636,403</b>	<b>335,260</b>	<b>971,663</b>	<b>738,477</b>	<b>233,186</b>
<b>Total Outflows</b>	<b>\$ 636,403</b>	<b>\$ 335,260</b>	<b>\$ 971,663</b>	<b>\$ 738,477</b>	<b>233,186</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>544</b>	<b>544</b>	<b>544</b>	<b>-</b>
<b>Fund Balance Beginning</b>					-
<b>Prior Period Adjustment *</b>				9,571	
<b>Fund Balance Beginning (Restated)</b>				9,571	
<b>Fund Balance Ending</b>				<u>\$ 10,115</u>	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Student Activities				\$ 10,115	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				10,115	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				(51,723)	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u>\$ (41,608)</u>	

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2021

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

	General Fund	Special Revenue Fund
	<u>        </u>	<u>        </u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 7,056,827	\$ 739,021
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	(16,543)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	154,297	31,878
Adjustment for: Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(126,918)</u>	<u>(51,723)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 7,084,206</u>	<u>\$ 702,633</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 6,990,471	\$ 738,477
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	(16,543)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 6,990,471</u>	<u>\$ 721,934</u>

**Stillwater Township School District**  
**Required Supplementary Information - Part III**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years \***

**Exhibit L-3**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
State's proportionate share of the net pension liability (asset) associated with the District	\$ 17,618,486	\$ 16,887,919	\$ 17,971,380	\$ 20,378,571	\$ 23,983,633	\$ 19,731,234	\$ 17,061,266	\$ 16,803,237		
Total	\$ 17,618,486	\$ 16,887,919	\$ 17,971,380	\$ 20,378,571	\$ 23,983,633	\$ 19,731,234	\$ 17,061,266	\$ 16,803,237		
District's covered employee payroll	\$ 2,860,022	\$ 2,797,805	\$ 2,617,437	\$ 2,822,523	\$ 2,932,165	\$ 2,883,647	\$ 3,092,559	\$ 3,221,083		
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
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%		

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

**Exhibit L-1**

**Public Employees' Retirement System (PERS)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset)	0.005317430%	0.005221211%	0.005534360%	0.005949310%	0.006075514%	0.005938480%	0.005802989%	0.006664282%		
District's proportionate share of the net pension liability (asset)	\$ 867,134	\$ 940,783	\$ 1,089,688	\$ 1,384,904	\$ 1,799,393	\$ 1,333,070	\$ 1,086,478	\$ 1,273,677		
District's covered employee payroll	\$ 374,070	\$ 364,612	\$ 378,883	\$ 371,026	\$ 365,707	\$ 744,751	\$ 655,505	\$ 613,816		
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	231.81%	258.02%	287.61%	373.26%	492.03%	179.00%	165.75%	207.50%		
Plan fiduciary net position as a percentage of the total pension liability (Local)	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%		

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**Stillwater Township School District  
Required Supplementary Information - Part III  
Schedule of District Contributions  
Last Ten Fiscal Years \***

**Exhibit L-2**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
District's covered employee payroll	\$ 2,860,022	\$ 2,797,805	\$ 2,617,437	\$ 2,822,523	\$ 2,932,165	\$ 2,883,647	\$ 3,092,559	\$ 3,221,083		
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

**Public Employees' Retirement System (PERS)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 58,170	\$ 51,144	\$ 55,449	\$ 56,003	\$ 54,331	\$ 53,407	\$ 50,488	\$ 45,624		
Contributions in relation to the contractually required contribution	(58,170)	(51,144)	(55,449)	(56,003)	(54,331)	(53,407)	(50,488)	(45,624)		
Contribution deficiency (excess)	-	-	-	-	-	-	-	-		
District's covered employee payroll	\$ 374,070	\$ 364,612	\$ 378,883	\$ 371,026	\$ 365,707	\$ 744,751	\$ 655,505	\$ 613,816		
Contributions as a percentage of covered-employee payroll	15.55%	14.03%	14.63%	15.09%	14.86%	7.17%	7.70%	7.43%		

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

Stillwater Township School District  
Required Supplementary Information - Part III  
Schedule of Changes in the State's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years \*

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

<u>The State of New Jersey's Total OPEB Liability</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Service Cost	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319					
Interest	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792					
Change in Benefit Terms										
Differences Between Expected and Actual Experience	11,544,750,637	(7,323,140,818)	-5002065740							
Benefit Payments	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)					
Contributions from Members	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747					
Changes of Assumptions or other inputs	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521					
<b>Net change in total OPEB liability</b>	<b>26,080,881,563</b>	<b>(4,381,751,937)</b>	<b>(7,529,008,876)</b>	<b>(4,191,942,326)</b>	<b>10,982,132,360</b>					
<b>Total OPEB Liability - Beginning</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>	<b>\$ 46,849,651,824</b>					
<b>Total OPEB Liability - Ending</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>					
<b>The State of New Jersey's total OPEB liability **</b>	<b>\$ 67,809,962,608</b>	<b>\$ 41,729,081,045</b>	<b>\$ 46,110,832,982</b>	<b>\$ 53,639,841,858</b>	<b>\$ 57,831,784,184</b>					
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	<b>\$ 23,375,035</b>	<b>\$ 14,346,467</b>	<b>\$ 16,089,562</b>	<b>\$ 18,451,964</b>	<b>\$ 20,113,322</b>					
<b>The District's proportionate share of the total OPEB liability</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>	<b>Zero</b>					
<b>District's covered employee payroll</b>	<b>\$ 3,234,092</b>	<b>\$ 3,162,417</b>	<b>\$ 3,996,320</b>	<b>\$ 3,193,549</b>	<b>\$ 3,297,872</b>					
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>					
<b>District's contribution</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>					
<b>State's covered employee payroll ***</b>	<b>\$ 14,267,738,657</b>	<b>\$ 13,929,083,479</b>	<b>\$ 13,640,275,833</b>	<b>\$ 13,493,400,208</b>	<b>\$ 13,493,400,208</b>					
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	<b>475.27%</b>	<b>299.58%</b>	<b>338.05%</b>	<b>397.53%</b>	<b>428.59%</b>					

\*\* Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*\*\* Covered payroll for the Measurement Period ending June 30, 2019 and June 30, 2020 is based on the payroll on the June 30, 2018 and June 30, 2019 census data, respectively

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

STILLWATER SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III**  
**Pension and OPEB Schedules**

For the Fiscal Year Ended June 30, 2021

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

**Pension Schedules**

*Changes of benefit terms.* 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.

*Changes of assumptions.* 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.

**OPEB Schedules**

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

*Changes of benefit terms.* There were no changes of benefit terms.

*Changes of assumptions.* Changes of assumptions and other inputs reflects a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

**Public Employees' Retirement System (PERS)**

**Pension Schedules**

*Changes of benefit terms.* 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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Changes of assumptions.* 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

**OPEB Schedules**

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

*Changes of benefit terms.* There were no changes of benefit terms.

*Changes of assumptions.* Changes of assumptions and other inputs reflects a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.



**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

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	CARES	Corona Relief Fund	Digital Divide	CRRSA ESSER II	IDEA Basic	IDEA Preschool	REAP	Preschool Education Aid	Local Grants	Student Activity	Totals
<b>REVENUES</b>														
Local Sources												\$ 28,118	\$ 6,504	\$ 34,622
State Sources											\$ 478,055			478,055
Federal Sources	\$ 31,524	\$ 6,058	\$ 10,000	\$ 18,977	\$ 10,233	\$ 13,623	\$ 28,695	\$ 70,558	\$ 5,563	\$ 31,113				226,344
<b>TOTAL REVENUES</b>	<b>31,524</b>	<b>6,058</b>	<b>10,000</b>	<b>18,977</b>	<b>10,233</b>	<b>13,623</b>	<b>28,695</b>	<b>70,558</b>	<b>5,563</b>	<b>31,113</b>	<b>478,055</b>	<b>28,118</b>	<b>6,504</b>	<b>739,021</b>
<b>EXPENDITURES:</b>														
<b>Instruction:</b>														
Instructional Salaries	2,380							11,900			205,569			219,849
Other Salaries for Instruction								13,367			60,165			73,532
General Supplies	21,985		10,000	11,802	10,233	13,623		13,736	898	31,113	54,893	28,118		196,401
<b>Total Instruction</b>	<b>24,365</b>		<b>10,000</b>	<b>11,802</b>	<b>10,233</b>	<b>13,623</b>		<b>39,003</b>	<b>898</b>	<b>31,113</b>	<b>320,627</b>	<b>28,118</b>		<b>489,782</b>
<b>Support Services:</b>														
Salaries of Program Directors											10,320			10,320
Salaries of Other Professional Staff								2,684						2,684
Salaries of Master Teachers											10,594			10,594
Employee Benefits											34,163			34,163
Purchased Educational Services								25,505						25,505
Professional Tech Services									4,165		8,530			12,695
Cleaning Repairs and Maintenance											2,555			2,555
Other Purchased Services	6,000	6,058		721				3,366	500					16,645
Supplies and Materials	1,159			6,454							11,307			18,920
Other Objects											756			756
Student Activities													5,960	5,960
<b>Total Support Services</b>	<b>7,159</b>	<b>6,058</b>		<b>7,175</b>				<b>31,555</b>	<b>4,665</b>		<b>78,225</b>		<b>5,960</b>	<b>140,797</b>
<b>Facilities Acq. and Const. Services:</b>														
Buildings							28,695							28,695
Instructional Equipment											76,380			76,380
Non-Instructional Equipment											2,823			2,823
<b>Total Facilities Acq. and Const. Svs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,695</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,203</b>	<b>-</b>	<b>-</b>	<b>107,898</b>
<b>TOTAL EXPENDITURES</b>	<b>31,524</b>	<b>6,058</b>	<b>10,000</b>	<b>18,977</b>	<b>10,233</b>	<b>13,623</b>	<b>28,695</b>	<b>70,558</b>	<b>5,563</b>	<b>31,113</b>	<b>478,055</b>	<b>28,118</b>	<b>5,960</b>	<b>738,477</b>
<b>Total Outflows</b>	<b>\$ 31,524</b>	<b>\$ 6,058</b>	<b>\$ 10,000</b>	<b>\$ 18,977</b>	<b>\$ 10,233</b>	<b>\$ 13,623</b>	<b>\$ 28,695</b>	<b>\$ 70,558</b>	<b>\$ 5,563</b>	<b>\$ 31,113</b>	<b>\$ 478,055</b>	<b>\$ 28,118</b>	<b>\$ 5,960</b>	<b>\$ 738,477</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>544</b>	<b>544</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period Adjustment *</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,571</b>	<b>9,571</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,571</b>	<b>9,571</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 10,115</b>	<b>\$ 10,115</b>

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

**Stillwater Township School District**  
**Special Revenue Fund**  
**Preschool Education Aid Schedule of Expenditures**  
**Preschool - All Programs**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 200,100	\$ 5,469	\$ 205,569	\$ 205,569	-
Other Salaries for Instruction	66,864	(265)	66,599	60,165	\$ 6,434
General Supplies	56,950	-	56,950	54,893	2,057
Other Objects	650	-	650	-	650
<b>Total instruction</b>	<b>324,564</b>	<b>5,204</b>	<b>329,768</b>	<b>320,627</b>	<b>9,141</b>
<b>Support services:</b>					
Salaries of Program Directors	10,351	(30)	10,321	10,320	1
Salaries of Master Teachers	25,000	-	25,000	10,594	14,406
Personal Services - Employee Benefits	73,960	(13,970)	59,990	34,163	25,827
Cleaning Repair	8,658	-	8,658	2,555	6,103
Other Purchased Services	19,824	-	19,824	8,530	11,294
Supplies and Materials	9,900	1,802	11,702	11,307	395
Other Objects	-	756	756	-	-
<b>Total support services</b>	<b>147,693</b>	<b>(11,442)</b>	<b>136,251</b>	<b>78,225</b>	<b>58,026</b>
<b>Facilities Acq. &amp; Construction:</b>					
Instructional Equipment	35,000	41,380	76,380	76,380	-
Non-Instructional Equipment	10,000	-	10,000	2,823	7,177
<b>Total Facilities Acq. &amp; Construction</b>	<b>45,000</b>	<b>41,380</b>	<b>86,380</b>	<b>79,203</b>	<b>7,177</b>
<b>Total Expenditures</b>	<b>517,257</b>	<b>\$ 35,142</b>	<b>\$ 552,399</b>	<b>\$ 478,055</b>	<b>74,344</b>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2020-2021 PreK Aid Allocation	\$ 517,257
Add: Actual ECPA Carryover June 30, 2020	35,142
Add: Budgeted Transfer From General Fund	-
Total Funds Available for 2020-2021 Budget	552,399
Less: 2020-2021 Budgeted PreK & ECPA (Including prior year budgeted carryover)	(552,399)
Available & Unbudgeted Funds as of June 30, 2021	-
Add: June 30, 2021 Unexpended PreK Aid	74,344
2020-2021 Actual Carryover - PreK Aid	\$ 74,344
2020-2021 PreK Carryover Budgeted in 2021-2022	-

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

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

N/A

**PROPRIETARY FUND  
DETAIL STATEMENTS**

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

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

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

**FIDUCIARY FUND  
DETAIL STATEMENTS**

Fiduciary Funds are defined by GASB No. 84 as four funds. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

N/A

## **LONG-TERM DEBT SCHEDULES**

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

N/A



Stillwater Township School District  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	88-93
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	94-97
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	98-101
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	102-103
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	104-108

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.

**Stillwater Township School District**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-1**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,455,534	\$ 1,373,154	\$ 1,555,227	\$ 1,907,174	\$ 2,059,005	\$ 2,171,034	\$ 2,320,306	\$ 2,689,051	\$ 2,414,013	\$ 2,713,582
Restricted	974,828	1,158,794	1,439,787	1,425,388	1,612,948	1,872,348	1,762,269	1,617,237	1,830,848	1,858,765
Unrestricted	(176,444)	(71,826)	(58,338)	(1,281,627)	(1,248,108)	(1,340,395)	(1,281,374)	(1,229,010)	(1,217,390)	(1,099,949)
<b>Total governmental activities net position</b>	<u>\$ 2,253,918</u>	<u>\$ 2,460,122</u>	<u>\$ 2,936,676</u>	<u>\$ 2,050,935</u>	<u>\$ 2,423,845</u>	<u>\$ 2,702,987</u>	<u>\$ 2,801,201</u>	<u>\$ 3,077,278</u>	<u>\$ 3,027,471</u>	<u>\$ 3,472,398</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 19,569	\$ 13,468	\$ 7,367	\$ 1,267						
Restricted		-	-	-	-	-	-	-	-	-
Unrestricted	30,513	30,847	30,431	29,783	23,987	21,068	\$ 20,047	\$ 8,143	\$ 28,781	\$ 42,612
<b>Total business-type activities net position</b>	<u>\$ 50,082</u>	<u>\$ 44,315</u>	<u>\$ 37,798</u>	<u>\$ 31,050</u>	<u>\$ 23,987</u>	<u>\$ 21,068</u>	<u>\$ 20,047</u>	<u>\$ 8,143</u>	<u>\$ 28,781</u>	<u>\$ 42,612</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 1,475,103	\$ 1,386,622	\$ 1,562,594	\$ 1,908,441	\$ 2,059,005	\$ 2,171,034	\$ 2,320,306	\$ 2,689,051	\$ 2,414,013	\$ 2,713,582
Restricted	974,828	1,158,794	1,439,787	1,425,388	1,612,948	1,872,348	1,762,269	1,617,237	1,830,848	1,858,765
Unrestricted	(145,931)	(40,979)	(27,907)	(1,251,844)	(1,224,121)	(1,319,327)	(1,261,327)	(1,220,867)	(1,188,609)	(1,057,337)
<b>Total district net position</b>	<u>\$ 2,304,000</u>	<u>\$ 2,504,437</u>	<u>\$ 2,974,474</u>	<u>\$ 2,081,985</u>	<u>\$ 2,447,832</u>	<u>\$ 2,724,055</u>	<u>\$ 2,821,248</u>	<u>\$ 3,085,421</u>	<u>\$ 3,056,252</u>	<u>\$ 3,515,010</u>

Source: ACFR Schedule A-1

**Stillwater Township School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 3,018,698	\$ 3,056,614	\$ 3,083,544	\$ 3,488,253	\$ 3,518,463	\$ 4,207,703	\$ 4,010,017	\$ 3,312,743	\$ 3,211,706	\$ 3,702,043
Special education	540,784	557,730	579,851	759,695	810,625	947,512	962,937	990,451	820,544	912,461
Other special education	222,157	217,106	188,902	168,203	161,170	202,689	308,354	207,145	217,784	197,720
School Sponsored	-									
Support Services:										
Tuition	57,606							11,445	-	6,241
Student & instruction related services	784,025	754,085	750,617	889,495	907,722	1,000,265	1,136,916	1,036,107	1,125,448	1,181,380
General administrative services	568,651	555,793	540,672	668,027	610,182	696,598	815,605	640,294	645,015	645,460
School administrative services	188,068	173,408	176,183	176,132	193,100	187,949	193,035	189,719	117,316	199,417
Business administrative services	-									
Plant operations and maintenance	625,475	598,453	688,842	756,154	659,861	789,065	909,151	998,851	875,513	1,169,184
Pupil transportation	309,356	308,943	279,915	308,123	304,332	316,376	291,968	293,111	275,774	260,192
Charter School	-									
Interest Expense and fiscal charges			1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790
Capital Outlay	-									
Unallocated depreciation	62,089	54,704	63,314	75,245	87,552	75,857	89,135	108,174	119,979	111,259
Total governmental activities expenses	<u>6,376,909</u>	<u>6,276,836</u>	<u>6,353,630</u>	<u>7,291,117</u>	<u>7,254,797</u>	<u>8,425,804</u>	<u>8,718,908</u>	<u>7,789,830</u>	<u>7,410,869</u>	<u>8,387,147</u>
Business-type activities:										
Food service	149,489	136,107	130,175	129,335	128,499	111,357	110,711	111,069	61,870	106,200
Total business-type activities expense	<u>149,489</u>	<u>136,107</u>	<u>130,175</u>	<u>129,335</u>	<u>128,499</u>	<u>111,357</u>	<u>110,711</u>	<u>111,069</u>	<u>61,870</u>	<u>106,200</u>
Total district expenses	<u>\$ 6,526,398</u>	<u>\$ 6,412,943</u>	<u>\$ 6,483,805</u>	<u>\$ 7,420,452</u>	<u>\$ 7,383,296</u>	<u>\$ 8,537,161</u>	<u>\$ 8,829,619</u>	<u>\$ 7,900,899</u>	<u>\$ 7,472,739</u>	<u>\$ 8,493,347</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Tuition	\$ 106,199	\$ 152,769	\$ 191,115	\$ 238,396	\$ 176,302	\$ 152,631	\$ 172,335	\$ 157,800	\$ 82,500	\$ 37,687
Operating grants and contributions	2,643,259	2,565,233	2,601,587	3,372,852	3,366,281	4,247,491	4,478,085	3,675,039	3,288,682	4,261,319
Capital grants and contributions	-									
Total governmental activities program revenues	<u>2,749,458</u>	<u>2,718,002</u>	<u>2,792,702</u>	<u>3,611,248</u>	<u>3,542,583</u>	<u>4,400,122</u>	<u>4,650,420</u>	<u>3,832,839</u>	<u>3,371,182</u>	<u>4,299,006</u>
Business-type activities:										
Charges for services										
Food service	99,234	91,053	82,258	79,286	77,063	66,948	70,167	63,994	38,684	10,933
Operating grants and contributions	40,838	39,271	37,941	38,774	39,172	37,510	39,183	35,137	23,798	99,056
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>140,072</u>	<u>130,324</u>	<u>120,219</u>	<u>118,060</u>	<u>116,235</u>	<u>104,458</u>	<u>109,350</u>	<u>99,131</u>	<u>62,482</u>	<u>109,989</u>
Total district program revenues	<u>\$ 2,889,530</u>	<u>\$ 2,848,326</u>	<u>\$ 2,912,901</u>	<u>\$ 3,729,308</u>	<u>\$ 3,658,818</u>	<u>\$ 4,504,580</u>	<u>\$ 4,759,770</u>	<u>\$ 3,931,970</u>	<u>\$ 3,433,664</u>	<u>\$ 4,408,995</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (3,627,451)	\$ (3,558,834)	\$ (3,560,928)	\$ (3,679,869)	\$ (3,712,214)	\$ (4,025,682)	\$ (4,068,488)	\$ (3,956,991)	\$ (4,039,687)	\$ (4,088,141)
Business-type activities	(9,417)	(5,783)	(9,976)	(11,275)	(12,264)	(6,899)	(1,361)	(11,938)	612	3,789
Total district-wide net expense	<u>\$ (3,636,868)</u>	<u>\$ (3,564,617)</u>	<u>\$ (3,570,904)</u>	<u>\$ (3,691,144)</u>	<u>\$ (3,724,478)</u>	<u>\$ (4,032,581)</u>	<u>\$ (4,069,849)</u>	<u>\$ (3,968,929)</u>	<u>\$ (4,039,075)</u>	<u>\$ (4,084,352)</u>

continued

**Stillwater Township School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 3,824,698	\$ 3,901,191	\$ 3,978,825	\$ 4,017,816	\$ 4,043,035	\$ 4,113,212	\$ 4,137,896	\$ 4,201,308	\$ 4,285,334	\$ 4,520,290
Property taxes levied for debt service, net										
Federal and State Aid not restricted	-									
Investment earnings	2,850	3,274	3,494	4,076	3,882	4,486	6,343	8,725	7,300	4,095
Miscellaneous income	-	1,282	4,991	1,069	38,207	27,201	22,463	23,035	17,345	18,683
Federal and State Aid for Capital Assets Projects										
Disposal of Assets										
Transfers										
Total governmental activities	<u>3,827,548</u>	<u>3,905,747</u>	<u>3,987,310</u>	<u>4,022,961</u>	<u>4,085,124</u>	<u>4,144,899</u>	<u>4,166,702</u>	<u>4,233,068</u>	<u>4,309,979</u>	<u>4,543,068</u>
Business-type activities:										
Investment earnings	32	16	76	76	76	53	53	53	53	53
Miscellaneous income			3,383	4,451	5,125	3,927	287	(19)	(27)	(11)
Transfers										
Total business-type activities	<u>32</u>	<u>16</u>	<u>3,459</u>	<u>4,527</u>	<u>5,201</u>	<u>3,980</u>	<u>340</u>	<u>34</u>	<u>26</u>	<u>42</u>
Total district-wide	<u>\$ 3,827,580</u>	<u>\$ 3,905,763</u>	<u>\$ 3,990,769</u>	<u>\$ 4,027,488</u>	<u>\$ 4,090,325</u>	<u>\$ 4,148,879</u>	<u>\$ 4,167,042</u>	<u>\$ 4,233,102</u>	<u>\$ 4,310,005</u>	<u>\$ 4,543,110</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 200,097	\$ 346,913	\$ 426,382	\$ 343,092	\$ 372,910	\$ 119,217	\$ 98,214	\$ 276,077	\$ 270,292	\$ 454,927
Business-type activities	(9,385)	(5,767)	(6,517)	(6,748)	(7,063)	(2,919)	(1,021)	(11,904)	638	3,831
Total district	<u>\$ 190,712</u>	<u>\$ 341,146</u>	<u>\$ 419,865</u>	<u>\$ 336,344</u>	<u>\$ 365,847</u>	<u>\$ 116,298</u>	<u>\$ 97,193</u>	<u>\$ 264,173</u>	<u>\$ 270,930</u>	<u>\$ 458,758</u>

Source: ACFR Schedule A-2

**Stillwater Township School District**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Reserved	\$ 915,276	\$ 1,110,387	\$ 1,458,282	\$ 1,449,857	\$ 1,631,222	\$ 1,882,705	\$ 1,858,019	\$ 1,722,425	\$ 1,867,257	\$ 1,921,539
Unreserved	63,907	76,440	70,864	70,827	69,799	69,588	73,691	89,749	110,317	139,770
Total general fund	<u>\$ 979,183</u>	<u>\$ 1,186,827</u>	<u>\$ 1,529,146</u>	<u>\$ 1,520,684</u>	<u>\$ 1,701,021</u>	<u>\$ 1,952,293</u>	<u>\$ 1,931,710</u>	<u>\$ 1,812,174</u>	<u>\$ 1,977,574</u>	<u>\$ 2,061,309</u>
All Other Governmental Funds										
Reserved									\$ 9,571	\$ 10,115
Unreserved, reported in:										
Special revenue fund									(31,878)	(51,723)
Capital projects fund	\$ 64,761	\$ 57,511	\$ -	-	-	-	-	-	-	-
Debt service fund										
Permanent fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 38,606</u>	<u>\$ 64,761</u>	<u>\$ 57,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,307)</u>	<u>\$ (41,608)</u>

Source: ACFR Schedule B-1

**Stillwater Township School District  
Changes in Fund Balances, Governmental Funds,  
Last Ten Fiscal Years**

**Exhibit J-4**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 3,824,698	\$ 3,901,191	\$ 3,978,825	\$ 4,017,816	\$ 4,043,035	\$ 4,113,212	\$ 4,137,896	\$ 4,201,308	\$ 4,285,334	\$ 4,520,290
Tuition charges	106,199	152,769	191,115	238,396	176,302	152,631	172,335	157,800	82,500	31,183
Interest earnings	761	834	910	858	815	889	918	956	1,234	492
Miscellaneous	2,089	3,722	7,575	4,287	41,274	30,798	27,888	30,804	23,411	28,790
State sources	2,398,842	2,447,609	2,370,199	2,468,499	2,544,211	2,638,854	2,713,184	2,726,944	2,815,829	2,979,739
Federal sources	244,417	117,624	231,388	155,074	152,051	147,105	153,201	154,381	128,324	226,344
Total revenue	6,577,006	6,623,749	6,780,012	6,884,930	6,957,688	7,083,489	7,205,422	7,272,193	7,336,632	7,786,838
<b>Expenditures</b>										
Instruction										
Regular Instruction	2,214,867	2,187,612	2,230,312	2,196,952	2,107,407	2,119,935	2,166,850	1,939,880	1,983,907	2,097,447
Special education instruction	401,820	403,448	423,512	485,195	512,851	529,948	529,120	593,268	519,444	528,227
Other special instruction	165,070	157,049	137,970	107,426	101,966	113,365	169,436	124,077	137,868	114,461
School Sponsored Other Instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	57,606	-	-	-	-	-	-	11,445	-	6,241
Student & instruction related services	582,556	545,486	548,236	568,094	574,280	559,453	624,719	620,615	712,464	683,905
General administrative services	263,828	246,363	225,686	265,916	198,320	229,497	255,367	231,542	261,392	221,138
School Administrative services	139,741	125,439	128,681	112,490	122,167	105,121	106,070	113,639	74,267	115,443
Business administrative services	156,493	153,741	166,961	158,061	184,609	157,420	144,808	148,144	142,673	148,570
Plant operations and maintenance	463,694	431,977	502,041	481,655	415,981	440,039	439,205	531,386	528,169	569,559
Pupil transportation	309,356	308,943	279,915	308,123	304,332	316,376	291,968	293,111	275,774	260,192
Unallocated employee benefits	1,552,530	1,665,385	1,577,988	1,683,299	1,759,535	1,914,009	2,048,046	2,171,371	2,169,693	2,327,850
Special Revenue										
Charter Schools	-	58,542	51,723	58,780	131,547	79,866	65,275	19,375	141,465	69,837
Capital outlay	30,098	139,370	222,179	467,401	364,356	267,188	385,141	593,876	315,708	569,534
Debt service	-	-	-	-	-	-	-	-	-	-
Total expenditures	6,337,659	6,423,355	6,495,204	6,893,392	6,777,351	6,832,217	7,226,005	7,391,729	7,262,824	7,712,404
Excess (Deficiency) of revenues over (under) expenditures	239,347	200,394	284,808	(8,462)	180,337	251,272	(20,583)	(119,536)	73,808	74,434
<b>Other Financing Sources (uses)</b>										
Transfers in	-	-	8,409	-	-	-	-	-	-	-
Transfers out	-	-	(8,409)	-	-	-	-	-	(20,000)	(10,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(20,000)	(10,000)
Net change in fund balances	\$ 239,347	\$ 200,394	\$ 284,808	\$ (8,462)	\$ 180,337	\$ 251,272	\$ (20,583)	\$ (119,536)	\$ 53,808	\$ 64,434
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

STILLWATER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Funds</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 2,089		\$ 761	\$ 106,199	-	\$ 109,049
2013	2,440		834	152,769	\$ 1,282	157,325
2014	3,494		910	191,115	4,081	199,600
2015	3,218		858	238,396	175	242,647
2016	3,067	\$ 11,803	815	176,302	24,698	216,685
2017	3,597	6	889	152,631	1,285	158,408
2018	5,425	9	918	172,335	5,843	184,530
2019	7,769		956	157,800	8,700	175,225
2020	6,066	7,200	1,234	82,500	6,062	103,062
2021	3,603		492	31,183	566	35,844

SOURCE: District Records

**Stillwater Township School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

**Exhibit J-6**

<u>Year Ended December 31</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>farmland value</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2012	\$4,785,900	\$207,881,600	\$27,927,700		\$8,239,200	\$326,400	-	\$279,734,329	\$30,335,300	\$238,229	\$249,399,029	\$1.582	\$527,808,416
2013	4,745,100	207,670,500	27,937,400		8,179,500	326,400	-	279,879,482	30,748,500	272,082	249,130,982	1.549	470,419,448
2014	4,745,100	207,670,500	27,937,400		8,179,500	326,400	-	279,879,482	30,748,500	272,082	249,130,982	0.986	470,419,448
2015	7,172,100	341,912,400	40,640,000	1,590,100	13,500,600	324,700	-	473,141,306	67,463,000	538,406	405,678,306	0.996	435,487,945
2016	7,159,800	341,998,200	39,525,100	\$1,582,200	13,344,300	324,700	-	472,751,756	68,244,200	573,256	404,507,556	1.007	447,554,460
2017	7,421,600	343,742,100	37,572,500	1,573,300	13,730,500	324,700	-	473,008,404	68,033,200	610,504	404,975,204	1.016	437,771,416
2018	7,482,600	342,279,500	39,007,300	1,563,100	14,592,900	324,700	-	474,533,277	68,649,600	633,577	405,883,677	1.027	455,280,148
2019	7,050,800	342,478,700	39,088,600	1,554,900	14,592,900	324,700	-	475,028,796	69,224,300	713,896	405,804,496	0.000	452,762,968
2020	6,783,200	343,244,800	39,472,500	1,521,800	14,592,900	324,700	-	476,369,511	69,667,200	762,411	406,702,311	1.083	452,284,646
2021	6,650,800	344,806,100	38,626,200	1,570,400	14,719,200	300,000	-	477,064,300	70,391,600	0	406,672,700	1.083	465,069,150

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when 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



**Stillwater Township School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Year Ended December 31	Stillwater Township Board of Education		Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	Total Direct	Regional High School District	Stillwater Township	Sussex County	
2012	\$1.549	\$1.549	\$1.371	\$0.863	\$0.984	\$4.767
2013	\$1.582	\$1.582	\$1.374	\$0.866	\$0.934	\$4.756
2014	\$1.549	\$1.549	\$1.371	\$0.863	\$0.984	\$4.767
2015	\$0.986	\$0.986	\$0.856	\$0.514	\$0.560	\$2.916
2016	\$0.996	\$0.996	\$0.873	\$0.495	\$0.572	\$2.936
2017	\$1.007	\$1.007	\$0.850	\$0.500	\$0.597	\$2.954
2018	\$1.016	\$1.016	\$0.879	\$0.502	\$0.640	\$3.037
2019	\$1.027	\$1.027	\$0.904	\$0.508	\$0.649	\$3.088
2020	\$1.043	\$1.043	\$0.894	\$0.498	\$0.645	\$3.080
2021	\$1.083	\$1.083	\$0.951	\$0.505	\$0.669	\$3.208

Source: District Records and Municipal Tax Collector

**Note:**

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.0 percent, whichever is greater, plus any spending growth adjustments.

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

**b** Rates for debt service are based on each year's requirements.

**Stillwater Township School District  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2021			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Mountain Shadows Lake Assoc.	\$ 2,041,500	1	0.50%	\$ 1,105,400	1	0.44%
North Shore House	1,679,200	2	0.41%	687,200	4	0.28%
Individual Taxpayer #1	1,278,900	3	0.31%	873,300	2	0.35%
Individual Taxpayer #2	1,200,100	4	0.30%	703,900	3	0.28%
Individual Taxpayer #3	1,082,000	5	0.27%	646,700	5	0.26%
Greenwood Pt Cottages	1,000,000	6	0.25%			
Individual Taxpayer #4	951,300	7	0.23%	642,800	6	0.26%
Individual Taxpayer #5	904,300	8	0.22%	578,500	7	0.23%
Individual Taxpayer #6	878,200	9	0.22%	551,100	8	0.22%
Individual Taxpayer #7	857,000	10	0.21%	530,000	9	0.21%
Individual Taxpayer #8				827,700	10	0.21%
<b>Total</b>	<b>\$ 11,872,500</b>		<b>2.92%</b>	<b>\$ 7,146,600</b>		<b>2.74%</b>

Source: District ACFR & Municipal Tax Assessor

**Stillwater Township School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$3,824,698	\$3,824,698	100.00%	-
2013	\$3,901,191	\$3,901,191	100.00%	-
2014	\$3,978,825	\$3,978,825	100.00%	-
2015	\$4,017,816	\$4,017,816	100.00%	-
2016	\$4,043,035	\$4,043,035	100.00%	-
2017	\$4,113,212	\$4,113,212	100.00%	-
2018	\$4,137,896	\$4,137,896	100.00%	-
2019	\$4,201,308	\$4,201,308	100.00%	-
2020	\$4,285,334	\$4,285,334	100.00%	-
2021	\$4,520,290	\$4,520,290	100.00%	-

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

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

**Stillwater Township School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2013	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2014	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2015	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2016	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2017	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2018	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2019	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2020	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A
2021	-0-	-0-	-0-	-0-	-0-	-0-	N/A	N/A

Source: District ACFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Stillwater Township School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	-0-	-0-	-0-	-0-	-0-
2013	-0-	-0-	-0-	-0-	-0-
2014	-0-	-0-	-0-	-0-	-0-
2015	-0-	-0-	-0-	-0-	-0-
2016	-0-	-0-	-0-	-0-	-0-
2017	-0-	-0-	-0-	-0-	-0-
2018	-0-	-0-	-0-	-0-	-0-
2019	-0-	-0-	-0-	-0-	-0-
2020	-0-	-0-	-0-	-0-	-0-
2021	-0-	-0-	-0-	-0-	-0-

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

R Revised

\* Current data unavailable

**Stillwater Township School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2021**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Stillwater Township	\$ 1,916,885	100.000%	\$ 1,916,885
<b>Other debt</b>			
Kittatinny Regional School District	220,000	25.376%	55,827
Sussex County	97,520,409	2.63%	<u>2,566,574</u>
Subtotal, overlapping debt			4,539,286
<b>Stillwater Township School District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 4,539,286</u></u>

**Sources:** Stillwater Township Finance Officer, Sussex County Finance Office and Utility Authorities

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**Stillwater Township School District  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2021**

	Equalized valuation basis	
	2018	\$ 449,800,799
	2019	\$ 464,217,029
	2020	\$ 471,122,220
	<b>[A]</b>	<u>\$ 1,385,140,048</u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 461,713,349
Debt limit (2.5 % of average equalization value)	<b>[B]</b>	11,542,834
Net bonded school debt	<b>[C]</b>	-
Legal debt margin	<b>[B-C]</b>	<u>\$ 11,542,834</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$14,370,366	\$12,919,313	\$12,161,125	\$11,494,400	\$11,212,103	\$11,135,595	\$11,168,191	\$11,284,159	\$11,378,745	\$11,542,834
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$14,370,366</u>	<u>\$12,919,313</u>	<u>\$12,161,125</u>	<u>\$11,494,400</u>	<u>\$11,212,103</u>	<u>\$11,135,595</u>	<u>\$11,168,191</u>	<u>\$11,284,159</u>	<u>\$11,378,745</u>	<u>\$11,542,834</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**a** Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

**Stillwater Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2012	4,118	\$209,079,035	\$50,832 R	3.6%
2013	4,079	\$209,525,184	\$51,457 R	3.6%
2014	4,036	\$216,608,397	\$53,814 R	5.8%
2015	4,001	\$222,000,944	\$55,706 R	4.9%
2016	3,954	\$224,065,161	\$57,006 R	4.6%
2017	3,927	\$232,273,332	\$58,798 R	4.1%
2018	3,910	\$219,506,981	\$61,156 R	3.9%
2019	3,900	\$218,720,419	\$63,784 R	3.2%
2020	3,878	\$238,999,590	\$63,784 *	8.2%
2021	3,855	\$245,887,320	\$63,784 *	*

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Per Capita information provided by U.S. Dept of Commerce.

<sup>c</sup> Per Capita information provided by U.S. Dept of Commerce.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

R Revised

P Projected

\* Current data unavailable



**Stillwater Township School District  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15**

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>
			N/A	N/A	N/A	N/A
Stocker Bus	70	1	0.00%			0.00%
Stillwater Township School	65	2	0.00%			0.00%
Fairview Lake YMCA Camp	47	3	0.00%			0.00%
Stillwater Township Municipal Employees	41	4	0.00%			0.00%
Lou Hoover YMCA Camp	18	5	0.00%			0.00%
Swartzwood State Park	13	6	0.00%			0.00%
C&V Paving	8	7	0.00%			0.00%
Roy Biscoff Mason Supply	5	8	0.00%			0.00%
Lakeland Bank	5	9	0.00%			0.00%
Gariss General Store	3	10	0.00%			0.00%
	<u>275</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

**Source:** N/A=No reliable data available

**Stillwater Township School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

<b><u>Function/Program</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
Instruction										
Regular	27.6	31.6	31.6	29.6	28.0	27.4	27.4	22.7	22.7	24.7
Special education	8.0	6.0	6.0	8.0	8.0	7.5	7.5	8.5	8.5	6.8
Other special education	2.0	2.0	2.0	2.0	-	-	-	-	-	
Support Services:										
Student and Instruction Related Service	8.8	8.0	7.5	9.4	11.2	9.1	9.1	12.8	12.8	14.6
General administrative services	2.0	2.0	2.0	2.0	1.6	2.0	2.0	2.0	2.0	2.0
School administrative services	2.0	2.0	2.5	2.2	2.2	2.0	2.0	2.0	2.0	2.0
Central Services	2.0	2.0	2.2	2.0	2.1	1.8	1.8	1.8	1.8	1.8
Plant Operations and Maintenance	3.5	3.5	3.5	3.5	3.6	3.6	3.6	4.0	4.0	4.6
Transportation	-	-	-	0	0	0	0	0	0.2	0.2
Total	55.9	57.1	57.3	58.9	56.9	53.6	53.6	54.0	54.0	56.7

**Source:** District Personnel Records

**Stillwater Township School District  
Operating Statistics  
Last Ten Fiscal Years**

**Exhibit J-17**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	370	\$ 6,307,561	\$ 17,047	6.30%	40	1:9.2	365.0	348.0	-3.39%	95.1%
2013	356	6,283,985	17,652	3.54%	40	1:8.9	354.8	335.6	-2.79%	95.3%
2014	340	6,273,025	18,450	4.52%	40	1:8.5	343.0	325.9	-3.33%	94.6%
2015	350	6,425,991	18,360	-0.49%	40	1:8.8	349.9	331.3	2.01%	95.0%
2016	323	6,412,995	19,854	8.14%	39	1:8.3	318.4	301.6	-9.00%	94.7%
2017	289	6,565,029	22,716	14.41%	38	1:7.6	289.1	273.9	-9.20%	94.7%
2018	286	6,840,864	23,919	5.29%	37	1:6.5	285.1	270.6	-1.39%	94.9%
2019	262	6,797,853	25,946	8.47%	36	1:7.4	266.4	252.2	-6.56%	94.7%
2020	250	6,947,116	27,788	7.10%	36	1:7.0	251.4	241.7	-5.63%	96.1%
2021	271	7,142,870	26,357	-5.15%	36	1:7.6	272.2	265.9	8.27%	97.7%

**Sources:** District records, ASSA and Schedule J-4

**Note:** Enrollment based on annual June 30 district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

**Stillwater Township School District  
 School Building Information  
 Last Ten Fiscal Years**

**Exhibit J-18**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b><u>District Building</u></b>										
<b><u>Stillwater Township Elementary School - K-6</u></b>										
Square Feet	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852	63,852
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment	370	356	340	350	323	289	286	262	250	271

Number of Schools at June 30, 2021  
 Elementary = 1

**Source:** District records, ASSA

Note: Increases in square footage and capacity are the result of renovations and/or additions. Enrollment is based on the annual October district count.

STILLWATER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
Last Ten Fiscal Years Ending June 30, 2021

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Elementary School	N/A	\$ 114,812	\$ 98,604	\$ 92,176	\$ 116,396	\$ 119,995	\$ 94,442	\$ 97,490	\$ 106,960	\$ 111,920	\$ 149,800	\$ 1,102,595
Total School Facilities		114,812	98,604	92,176	116,396	119,995	94,442	97,490	106,960	111,920	149,800	1,102,595
Other Facilities												
<b>Grand Total</b>		<b>\$ 114,812</b>	<b>\$ 98,604</b>	<b>\$ 92,176</b>	<b>\$ 116,396</b>	<b>\$ 119,995</b>	<b>\$ 94,442</b>	<b>\$ 97,490</b>	<b>\$ 106,960</b>	<b>\$ 111,920</b>	<b>\$ 149,800</b>	<b>\$ 1,102,595</b>

STILLWATER TOWNSHIP SCHOOL DISTRICT

Exhibit J-20

INSURANCE SCHEDULE

JUNE 30, 2021

UNAUDITED

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>SCHOOL PACKAGE POLICY-NJSIG</b>		
Building & Personal Property	\$ 16,338,684	\$ 5,000
General Liability:	11,000,000	
Automobile Liability Coverage	11,000,000	
Environmental Impairment Liability	1,000,000	50,000
Underground Storage Tanks	1,000,000	10,000
Faithful Performance & Computer Fraud	1,000,000	1,000
Money & Securities	100,000	1,000
Boiler & Machinery	100,000,000	5,000
School Board Legal (SLPL) NJSIG	11,000,000	Coverage A \$5,000
	\$100,000/300/000	Coverage B same
Workers' Compensation NJSIG	Statutory	
Employer's Liability	2,000,000	
Supplemental Indemnity	Statutory	
Bond for School Business Administrator	200,000	
Bond for Treasurer of School Monies	200,000	
Student Accident- Bollinger	All students and athletes	\$5,000,000 Full exce

SOURCE: District Records

# **Single Audit Section**



## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, PSA

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

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 Stillwater Township School District  
 County of Sussex  
 Newton, New Jersey 07860

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 Stillwater Township School District Board of Education in the County of Sussex, 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 Stillwater Township School District Board of Education's basic financial statements, and have issued our report thereon dated January 26, 2022.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards** or 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 for New Jersey Department of Education use, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with **Government Auditing Standards** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Ardito & Company LLC*

ARDITO & COMPANY LLC

January 26, 2022

*Anthony Ardito*

Anthony Ardito

Licensed Public School Accountant No. 2369



## **ARDITO & COMPANY LLC**

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Anthony Ardito, CPA, RMA, CMFO, PSA

### **Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB circulars 15-08**

Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 Stillwater Township School District  
 County of Sussex  
 Newton, New Jersey 07860

#### **Report on Compliance for Each Major State Program**

We have audited the Stillwater Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2021. The Stillwater Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

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

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

-Continued-

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 District's compliance.

### **Opinion on Each Major State Program**

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

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

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

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

*Ardito & Company LLC*

ARDITO & COMPANY LLC

January 26, 2022

*Anthony Ardito*

Anthony Ardito

Licensed Public School Accountant No. 2369

STILLWATER TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2021

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2020	Carryover/ Walkover Amount	Cash Received	Budget Expend.	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2021			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Treasury Passed-through</b>																
<b>State Department of Education:</b>																
<b>Special Revenue Fund:</b>																
Coronavirus Relief Fund Grant	21.019	TBD	N/A	\$ 10,233	3/1/20	12/31/21			\$ 10,233	\$ (10,233)						\$ 10,233
Total Coronavirus Relief Fund							-	-	10,233	(10,233)	-	-	-	-	-	10,233
<b>U.S. Dept. of Ed. Passed-Through</b>																
<b>State Department of Education:</b>																
<b>Special Revenue Fund:</b>																
Title I	84.010	S010A200030	N/A	25,888	7/1/20	6/30/21	\$ (960)		24,530	(31,524)		\$ (7,954)				31,524
Total Title I Part A Cluster							(960)	-	24,530	(31,524)	-	-	(7,954)	-	-	31,524
Title II Part A	84.367A	S367B200027	N/A	6,058	7/1/20	6/30/21	(5,995)		10,755	(6,058)			(1,298)			6,058
Title IV	84.424A	S424A200027	N/A	10,000	7/1/20	6/30/21	(2,380)		11,705	(10,000)			(675)			10,000
Rural Education Achievement Program	84.358A	S358B200030	S358A202502	24,900	7/1/20	6/30/21	-		20,788	(31,113)			(10,325)			31,113
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	N/A	70,558	7/1/20	6/30/21	(7,477)		75,163	(70,558)			(2,872)			70,558
I.D.E.A. Part B, Basic Preschool	84.173	H173A200114	N/A	5,563	7/1/20	6/30/21			5,563	(5,563)						5,563
Total Special Education Cluster							(7,477)	-	80,726	(76,121)	-	-	(2,872)	-	-	76,121
CARES Emergency Relief Grant	84.425D	S425D200027	CARES	22,684	3/13/20	9/30/22			18,778	(18,977)			(3,906)	\$ 3,707		18,977
CRRSA ESSER II	84.425D	S425D200027	CRRSA	87,879	3/13/20	9/30/23				(28,695)			(87,879)	59,184		28,695
CRRSA Learning Accel.	84.425D	S425D200027	CRRSA	25,000	3/13/20	9/30/23							(25,000)	25,000		
CRRSA Mental Health	84.425D	S425D200027	CRRSA	45,000	3/13/20	9/30/23							(45,000)	45,000		
Digital Divide	84.425D	S425D200027	N/A	13,623	7/16/20	10/31/20			13,623	(13,623)						13,623
Total Coronavirus Aid Relief, and Economic Security Act – Elementary and Secondary School Emergency Relief Funds							-	-	32,401	(61,295)	-	-	(161,785)	132,891	-	61,295
<b>Total Special Revenue Fund</b>							<b>(16,812)</b>	<b>-</b>	<b>191,138</b>	<b>(226,344)</b>	<b>-</b>	<b>-</b>	<b>(184,909)</b>	<b>132,891</b>	<b>-</b>	<b>226,344</b>
<b>U.S. Dept. of Ag. Passed-Through</b>																
<b>State Department of Education:</b>																
<b>Enterprise Fund</b>																
<b>Child Nutrition Cluster:</b>																
National School Lunch Program (Food Distribution)	10.555	201NJ304N1099	N/A		7/1/19	6/30/20	2,002			(2,002)						2,002
National School Lunch Program (Food Distribution)	10.555	211NJ304N1099	N/A	13,792	7/1/20	6/30/21			13,792	(11,385)				2,407		11,385
School Breakfast Program	10.553	201NJ304N1099	N/A		7/1/19	6/30/20	(177)		177							
School Breakfast Program	10.553	211NJ304N1099	N/A	13,400	7/1/20	6/30/21			12,790	(13,400)			(610)			13,400
National School Lunch Prog.	10.555	201NJ304N1099	N/A		7/1/19	6/30/20	(334)		334							
National School Lunch Prog.	10.555	211NJ304N1099	N/A	68,618	7/1/20	6/30/21			62,049	(68,618)			(6,569)			68,618
<b>Total Enterprise Fund</b>							<b>1,491</b>		<b>89,142</b>	<b>(95,405)</b>			<b>(7,179)</b>	<b>2,407</b>		<b>95,405</b>
<b>TOTAL FEDERAL ASSISTANCE</b>							<b>\$ (15,321)</b>	<b>-</b>	<b>\$ 280,280</b>	<b>\$ (321,749)</b>	<b>-</b>	<b>-</b>	<b>\$ (192,088)</b>	<b>\$ 135,298</b>	<b>-</b>	<b>\$ 321,749</b>

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

STILLWATER TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2021

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2020	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2021			MEMO		
										(ACCTS. RECEIV.)	DEFER. REVENUE/ PAYABLE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education</b>															
<b>General Fund:</b>															
Equalization Aid	21-495-034-5121-078	7/1/20-6/30/21	\$ 874,844			\$ 874,844	\$ (874,844)							* \$ 87,363	\$ 874,844
Transportation Aid	21-495-034-5121-014	7/1/20-6/30/21	151,123			151,123	(151,123)							* 15,091	151,123
Special Education Aid	21-495-034-5121-089	7/1/20-6/30/21	211,181			211,181	(211,181)							* 21,089	211,181
Security Aid	21-495-034-5121-084	7/1/20-6/30/21	33,792			33,792	(33,792)							* 3,375	33,792
Non-Public Transportation Aid	20-100-034-5121-068	7/1/19-6/30/20	792	\$ (792)		792								* 792	
Non-Public Transportation Aid	21-100-034-5121-068	7/1/20-6/30/21	3,943				(3,943)			\$ (3,943)				* 3,943	
Extraordinary Aid	20-495-034-5121-044	7/1/19-6/30/20	15,206	(13,822)		15,206	(1,384)							* 15,206	
Extraordinary Aid	21-495-034-5121-044	7/1/20-6/30/21	12,745				(12,745)			(12,745)				* 12,745	
On Behalf TPAF Pension	21-495-034-5094-002	7/1/20-6/30/21	767,532			767,532	(767,532)							* 767,532	
On Behalf TPAF Pension PMR	21-495-034-5094-001	7/1/20-6/30/21	240,532			240,532	(240,532)							* 240,532	
On Behalf TPAF Pension LTD Ins	21-495-034-5094-004	7/1/20-6/30/21	310			310	(310)							* 310	
Reimbursed TPAF Soc.Secur.Contrib.	21-495-034-5094-003	7/1/20-6/30/21	203,307	(9,426)		202,604	(203,307)			(10,129)				* 203,307	
<b>Total General Fund</b>				(24,040)		2,497,916	(2,500,693)			(26,817)				* 126,918	2,515,307
<b>Special Revenue Fund:</b>															
Preschool Education Expansion Aid	21-495-034-5121-086	7/1/20-6/30/21	517,257	\$ 35,142		517,257	(478,055)				\$ 74,344			* 51,723	478,055
<b>Total Special Revenue Fund</b>				35,142	-	517,257	(478,055)	-	-	-	74,344	-		* 51,723	478,055
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat.School Lunch Prog.(State Share)	20-100-010-3350-023	7/1/19-6/30/20		(5)		5								* 3,650	
Nat.School Lunch Prog.(State Share)	21-100-010-3350-023	7/1/20-6/30/21	3,650			2,785	(3,650)			(865)				* 3,650	
<b>Total Enterprise Fund</b>				(5)		2,790	(3,650)			(865)				* 3,650	
<b>Total State Financial Assistance</b>				\$ 11,097	-	\$ 3,017,963	\$ (2,982,398)	-	-	\$ (27,682)	\$ 74,344	-		* \$ 178,641	\$ 2,997,012

Less On-behalf TPAF Pension Amounts:  
 On Behalf TPAF Pension 767,532  
 On Behalf TPAF Pension PMR 240,532  
 On Behalf TPAF Pension LTD Ins 310  
 Total State Expenditures Subject to Major Program Determination \$ (1,974,024)

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2021

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE 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.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 last state aid payment 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 \$27,379 for the general fund and (\$36,388) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2021

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 2,528,072	\$ 2,528,072
Special Revenue Fund	\$ 226,344	451,667	678,011
Food Service Fund	<u>95,405</u>	<u>3,651</u>	<u>99,056</u>
Total Financial Assistance	<u>\$ 321,749</u>	<u>\$ 2,983,390</u>	<u>\$ 3,305,139</u>

**NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_ Yes  No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes  None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes  No

**Federal Awards**

**Not Applicable**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes \_\_\_ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of? \_\_\_ Yes \_\_\_ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

Dollar threshold used to distinguish between Type A and Type B programs: N/A

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no





SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Section II-Financial Statement Findings**

N/A

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with *Government Auditing Standards*.

**Section III - State Financial Assistance Findings and Questioned Costs**

N/A

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable. There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 15-08.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**STATUS OF PRIOR YEAR FINDINGS**

N/A

In accordance with *government auditing standards* , our procedures included a review of all prior year recommendations. There were no prior year findings.