

**SUSSEX-WANTAGE REGIONAL
SCHOOL DISTRICT**

**Sussex-Wantage Regional School District
Sussex, New Jersey**

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

**Comprehensive Annual
Financial Report**

of the

**Sussex-Wantage Regional School District
Board of Education**

Sussex, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

**Sussex-Wantage Regional School District
Board Office**

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditors' Report.....	9
Required Supplementary Information	12
Management's Discussion and Analysis.....	13
Basic Financial Statements (Sections A and B).....	21
A. District-Wide Financial Statements	22
A-1 Statement of Net Position.....	23
A-2 Statement of Activities	24
B. Fund Financial Statements	26
B-1 Balance Sheet – Governmental Funds.....	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	29
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
B-4 Statement of Net Position – Proprietary Funds	31
B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds.....	32
B-6 Statement of Cash Flows – Proprietary Funds	33
Notes to the Basic Financial Statements	34
Required Supplementary Information	76
L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits	
Other than Pensions	77
L-1 Schedule of District's Proportionate Share of the Net Pension Liability Public Employees – Retirement System	77
L-2 Schedule of District Contributions – Public Employees Retirement System.....	78
L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund.....	79
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund.....	80
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios	81
Notes to Required Supplementary Information	82

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

C.	Budgetary Comparison Schedules	84
C-1	Budgetary Comparison Schedule – General Fund	85
C-2	Budgetary Comparison Schedule - Special Revenue Fund	95
C-3	Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI	96
Other Supplementary Schedules (D.-I.)		
D.	School Level Schedules (Not Applicable)	98
E.	Special Revenue Fund	99
E-1	Combining Schedule of Program Revenue and Expenditures-Special Revenue Fund – Budgetary Basis	100
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund	103
F-1	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis.....	104
F-1a	Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Solar Panel Project	105
G.	Proprietary Funds (Enterprise Fund).....	106
G-1	Combining Statement of Net Position.....	107
G-2	Combining Statement of Revenue, Expenses and Changes in Net Position	108
G-3	Combining Statement of Cash Flows	109
H.	Fiduciary Activities (Not Applicable).....	110
I.	Long-Term Debt (Not Applicable)	111
STATISTICAL SECTION		
J.	Statistical Schedules (Unaudited).....	112
J-1	Net Position by Component	113
J-2	Changes in Net Position	115
J-3	Fund Balances - Governmental Funds	121
J-4	Changes in Fund Balances - Governmental Funds.....	123
J-5	General Fund Other Local Revenue by Source	127
J-6	Assessed Value and Actual Value of Taxable Property	128
J-7	Direct and Overlapping Property Tax Rates	129
J-8	Principal Property Taxpayers, Current Year and Nine Years Ago.....	130
J-9	Property Tax Levies and Collections	131
J-10	Ratios of Outstanding Debt by Type	132
J-11	Ratios of Net General Bonded Debt Outstanding	133
J-12	Ratios of Overlapping Governmental Activities Debt	134
J-13	Legal Debt Margin Information	135
J-14	Demographic and Economic Statistics	136
J-15	Principal Employers, Current Year and Nine Years Ago.....	137

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

STATISTICAL SECTION (Cont'd)

J-16	Full-time Equivalent District Employees by Function/Program	138
J-17	Operating Statistics.....	139
J-18	School Building Information.....	140
J-19	Schedule of Required Maintenance.....	141
J-20	Insurance Schedule.....	142

K. SINGLE AUDIT SECTION 143

K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	144
K-2	Independent Auditors' Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance	146
K-3	Schedule of Expenditures of Federal Awards	148
K-4	Schedule of Expenditures of State Awards.....	150
K-5	Notes to the Schedules of Expenditures of Federal and State Awards	152
K-6	Schedule of Findings and Questioned Costs	154
K-7	Summary Schedule of Prior Audit Findings	156

INTRODUCTORY SECTION
(UNAUDITED)

BOARD OF EDUCATION
SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

27 Bank Street
Sussex, NJ 07461
973-875-3175
FAX: (973) 875-7175

MICHAEL GALL
SUPERINTENDENT
E-mail: mgall@swregional.org

CHRISTINA M. RIKER
BUSINESS ADMINISTRATOR
E-mail: criker@swregional.org

BRENDA VANWARNER
ADMINISTRATIVE ASSISTANT

NANCY SISTO
ADMINISTRATIVE ASSISTANT

November 30, 2021

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
County of Sussex
Sussex, New Jersey

Dear Honorable President and Board Members:

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

The Comprehensive Annual Financial Report is presented in four sections: 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 Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Sussex-Wantage Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) in Codification Section 2100. All funds of the District are included in this report. The Sussex-Wantage Regional Board of Education and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an average daily enrollment of 1,052 students, an increase of 11 students from the previous year's enrollment.

(2) ECONOMIC CONDITION AND OUTLOOK: The economic condition of the municipalities comprising the District continues to be influenced by the slow population growth. There was a net decline in ratables in Sussex Borough again this past year, while Wantage Township ratable increased 0.67%. Despite this, the percentage of commercial ratables to the total ratables is considerably less than in most areas in the State of New Jersey.

(3) MAJOR INITIATIVES: The total amount of State Aid for the 2020-2021 school year decreased (\$651,205) from the level of the 2019-2020 funding. Despite this, the District was able to maintain class sizes across all grade levels.

In addition to continuing to provide a continuum of in-house services to students with special needs, continued a pull-out Basic Skills program, a Gifted and Talented program, and maintained small class sizes throughout the District; the District focused its efforts on interventions relative to retooling its Response to Intervention Program as well as social emotional learning in response to COVID-19. The main focus of instruction was to provide in person learning to the extent the District could do so safely while collaborating with regional partners and the New Jersey Department of Health. The primary focus was on safety. In that regard, the District offered a hybrid approach to learning for a significant portion of the school year until it was able to merge groupings. The District expanded its use of digital instruction in order to balance the needs of students working remotely with the needs of students working in person. The District also continued its use of digital formative assessments in Math and Language Arts through the NWEA Measures of Academic Progress (MAPs) Assessment in grades K-8. Students in grades K-8 were fully immersed in a 1:1 Google Chromebook environment. The District continued to offer Spanish to all students in grades K-8. Professional development in the District focused on fostering a blended learning environment for our students. Training was offered through a combination of job-embedded workshops with experienced consultants, virtual training, PLC's and on-site training during professional days provided by our own knowledgeable staff. In-house training was also continued in Crisis Prevention Institute (CPI) to help create a safe, humanistic learning environment for at-risk students.

4) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

5) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

6) 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 approved by a vote of the Board of Education. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2021.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the 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.

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

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The Honorable President and Members of
the Board of Education
Sussex-Wantage Regional School District
Page 4
November 30, 2021

9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

The auditors’ report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors’ reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Sussex-Wantage Regional School District 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 the financial and accounting staff.

Respectfully submitted,

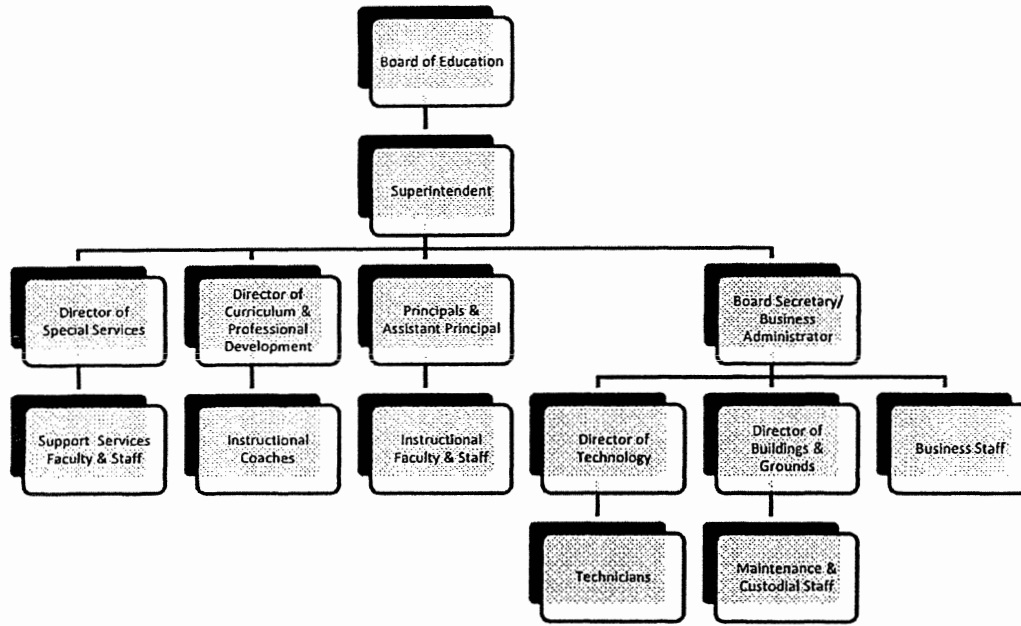


Michael Gall
Superintendent of Schools



Christina Riker
Business Administrator/Board Secretary

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
Organizational Chart
(Unit Control)



**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Nicholas D'Agostino, President	2023
Coleen Ranzan, Vice President	2022
Jenny Craig	2021
Kristen Cooper-Trinidad	2023
Ross Juliano	2022
Courtney DeWaal Malefyt	2023
Megan Steele	2021
Georgeanna Stoll	2022
Dorothy Witte	2021

<u>Other Officers</u>	<u>Title</u>
Michael Gall	Superintendent
Christina Riker	Business Administrator/Board Secretary
Grant W. Rome, Treasurer	Treasurer

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320
and
Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860

Attorney

Cleary, Giacobbe, Alfieri, Jacobs, LLC
7 James Street
Florham Park, NJ 07932

Official Depository

Lakeland Bancorp Inc.
250 Oak Ridge Road
Oak Ridge, NJ 07438-8906

Architect

Parette Somjen Architects, LLC
439 Route 46 East
Rockaway, NJ 07866

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Sussex-Wantage Regional School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, which follows this report, the pension and post-employment benefit schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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 District’s basic financial statements. The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
Page 3

The accompanying other supplementary schedules and the schedules of expenditures of federal and state awards 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 other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information such as the introductory and statistical sections has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 30, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

This section of the Sussex-Wantage Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and the Care program.
- *Notes to Basic Financial Statements*: Provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of the School District's Financial Report**

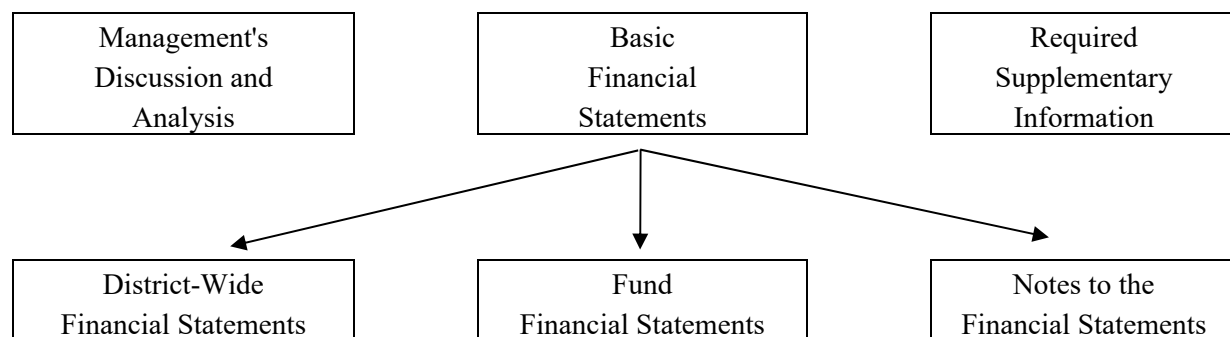


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and the Care Program
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

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

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

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

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and Care Program are included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

Notes to the Basic Financial Statements:

Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District’s combined net position increased by \$2,375,401. Net position from governmental activities increased by \$2,401,908 and net position from business-type activities decreased by \$26,507. Net investment in capital assets increased by \$49,978, restricted net position increased by \$1,094,031, and unrestricted net position increased by \$1,231,392.

Figure A-3

	Condensed Statement of Net Position						Percentage
	Governmental Activities		Business-Type Activities		Total School District		Change
	2020/2021	2019/2020*	2020/2021	2019/2020	2020/2021	2019/2020*	2020/2021
Assets:							
Current and							
Other Assets	\$ 9,784,106	\$ 6,341,508	\$ 225,888	\$ 206,447	\$ 10,009,994	\$ 6,547,955	
Capital Assets, Net	6,769,149	6,709,860	63,538	72,849	6,832,687	6,782,709	
Total Assets	<u>16,553,255</u>	<u>13,051,368</u>	<u>289,426</u>	<u>279,296</u>	<u>16,842,681</u>	<u>13,330,664</u>	26.35%
Deferred Outflows of Resources	<u>786,471</u>	<u>1,049,168</u>			<u>786,471</u>	<u>1,049,168</u>	-25.04%
Liabilities:							
Other Liabilities	1,605,671	825,548	61,208	24,571	1,666,879	850,119	
Long-Term Liabilities	<u>5,662,076</u>	<u>6,267,558</u>			<u>5,662,076</u>	<u>6,267,558</u>	
Total Liabilities	<u>7,267,747</u>	<u>7,093,106</u>	<u>61,208</u>	<u>24,571</u>	<u>7,328,955</u>	<u>7,117,677</u>	2.97%
Deferred Inflows of Resources	<u>2,410,689</u>	<u>2,366,906</u>			<u>2,410,689</u>	<u>2,366,906</u>	1.85%
Net Position:							
Investment in							
Capital Assets	6,769,149	6,709,860	63,538	72,849	6,832,687	6,782,709	
Restricted	6,494,569	5,400,538			6,494,569	5,400,538	
Unrestricted/(Deficit)	<u>(5,602,428)</u>	<u>(6,851,016)</u>	<u>164,680</u>	<u>181,876</u>	<u>(5,437,748)</u>	<u>(6,669,140)</u>	
Total Net Position	<u>\$ 7,661,290</u>	<u>\$ 5,259,382</u>	<u>\$ 228,218</u>	<u>\$ 254,725</u>	<u>\$ 7,889,508</u>	<u>\$ 5,514,107</u>	43.08%

* - As Restated

Changes in Net Position. The District’s combined net position was \$7,889,508 on June 30, 2021, an increase of \$2,375,401 or 43.08% more than it was the year before (See Figure A-3). Net Investment in Capital Assets increased by \$49,978 due to the \$697,590 of current year capital assets additions offset by the \$647,612 of depreciation expense. Restricted net position increased by \$1,094,031 due to the \$1,000,000 Board transfer to Capital Reserve, the \$250,000 Board transfer to Maintenance Reserve, the \$12,573 unexpended balance of the budgeted withdrawal from capital reserve, the \$21,327 increase in Unemployment Compensation restricted fund balance, the \$2,835 decrease in Student Activities restricted fund balance, and increase in excess surplus of \$1,311,966, offset by the budgeted withdrawal from Capital Reserve of \$1,000,000 and the withdrawal by Board resolution from Capital Reserve of \$499,000. The unrestricted net position increased by \$1,231,392 due primarily to the change in pension related deferred inflows and outflows, the increase in unexpended budget appropriations, as well as the decrease in net pension liability and the increase in year-end encumbrances.

Figure A-4

Changes in Net Position from Operating Results							
	Governmental Activities	Business- Type Activities	Governmental Activities	Business- Type Activities	Total School District	Total School District	Percentage Change 2020/2021
	2020/2021	2020/2021	2019/2020	2019/2020	2020/2021	2019/2020	
Revenue:							
Program Revenue:							
Charges for Services	\$ 72,977	\$ 25,388	\$ 128,525	\$ 204,130	\$ 98,365	\$ 332,655	
Operating Grants and Contributions	8,045,324	260,172	7,358,349	150,898	8,305,496	7,509,247	
Capital Grants and Contributions	41,637				41,637		
General Revenue:							
Property Taxes	16,816,591		15,800,221		16,816,591	15,800,221	
Unrestricted State and Federal Aid	4,898,614		5,528,615		4,898,614	5,528,615	
Other	40,179	265	167,660	1,457	40,444	169,117	
Total Revenue	<u>29,915,322</u>	<u>285,825</u>	<u>28,983,370</u>	<u>356,485</u>	<u>30,201,147</u>	<u>29,339,855</u>	2.94%
Expenses:							
Instruction	16,205,402		15,891,620		16,205,402	15,891,620	
Pupil and Instruction Services	4,210,194		4,362,831		4,210,194	4,362,831	
Administrative and Business	2,238,470		2,215,021		2,238,470	2,215,021	
Maintenance and Operations	2,039,292		2,011,461		2,039,292	2,011,461	
Transportation	1,491,213		1,529,080		1,491,213	1,529,080	
Capital Outlay	1,273		17,335		1,273	17,335	
Other	1,327,570	312,332	1,198,929	402,356	1,639,902	1,601,285	
Total Expenses	<u>27,513,414</u>	<u>312,332</u>	<u>27,226,277</u>	<u>402,356</u>	<u>27,825,746</u>	<u>27,628,633</u>	0.71%
Other Item:							
Cancellation of Prior Year Accounts Payable			3,169			3,169	-100.00%
Increase/(Decrease) in Net Position	<u>\$ 2,401,908</u>	<u>\$ (26,507)</u>	<u>\$ 1,760,262</u>	<u>\$ (45,871)</u>	<u>\$ 2,375,401</u>	<u>\$ 1,714,391</u>	38.56%

Governmental Activities

The financial position of the District increased significantly in the current year. However, maintaining existing programs for regular pupil enrollment and the provision of special programs and services for disabled pupils place great demands on the District’s resources.

Careful management of expenses remains essential for the District to sustain its financial health.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of seven major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District’s taxpayers by each of the following functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2020/2021</u>	<u>2020/2021</u>	<u>2019/2020</u>	<u>2019/2020</u>
Instruction	\$ 16,205,402	\$ 10,250,701	\$ 15,891,620	\$10,518,487
Pupil and Instruction Services	4,210,194	3,140,869	4,362,831	3,392,671
Administrative and Business	2,238,470	2,059,558	2,215,021	2,030,775
Maintenance and Operations	2,039,292	1,959,528	2,011,461	1,948,580
Transportation	1,491,213	613,977	1,529,080	632,626
Capital Outlay	1,273	1,273	17,335	17,335
Other	1,327,570	1,327,570	1,198,929	1,198,929
	<u>\$ 27,513,414</u>	<u>\$ 19,353,476</u>	<u>\$ 27,226,277</u>	<u>\$ 19,739,403</u>

Business-Type Activities

The District’s business-type activities decreased by \$26,507. The decrease is due primarily to the decrease in Food Service Fund daily sales, offset by an increase in federal and state subsidy reimbursements as the District was under the Seamless Summer Option Program and a slight decrease in operating expenses. Additionally, there was an operating loss in the Care Program due primarily to a decrease in child care fees, offset by a decrease in operating expenses. The decrease in daily sales and program fees is due to multiple closures due to COVID-19 and the Care program operating with less kids due to COVID-19.

Financial Analysis of the District’s Funds

The District’s financial position increased significantly in the current year primarily due to fund balance utilized to support the budget offset by unexpended budget appropriations in the General Fund. As the number of low-income students rises, so do the expenditures related to meeting their additional needs. Difficult economic times have had a direct impact upon the District’s revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. The budget was amended for transfers to prevent over-expenditures of specific line item accounts.

Capital Asset and Long-Term Liabilities

Figure A-6

	Capital Assets (Net of Depreciation)						Percentage Change 2020/2021
	Government Activities		Business-Type Activities		Total School District		
	<u>2020/2021</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2019/2020</u>	
Buildings and Building Improvements	\$ 4,571,013	\$ 4,857,524			\$ 4,571,013	4,857,524	
Site Improvements	1,593,175	1,221,218			1,593,175	1,221,218	
Machinery and Equipment	<u>604,961</u>	<u>631,118</u>	<u>\$ 63,538</u>	<u>\$ 72,849</u>	<u>668,499</u>	<u>703,967</u>	
Total Capital Assets (Net of Depreciation)	<u>\$ 6,769,149</u>	<u>\$ 6,709,860</u>	<u>\$ 63,538</u>	<u>\$ 72,849</u>	<u>\$ 6,832,687</u>	<u>\$ 6,782,709</u>	0.74%

During the current fiscal year, the District had capital additions of \$697,590 and depreciated \$647,612 of its capital assets.

Long-term Liabilities

At year-end, the District had \$5,662,076 in long-term liabilities outstanding – a decrease of \$605,482 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

	Outstanding Long-Term Liabilities		Percentage Change
	<u>2020/2021</u>	<u>2019/2020</u>	
Net Pension Liability	\$ 4,970,166	\$ 5,601,388	
Compensated Absences Payable	<u>691,910</u>	<u>666,170</u>	
Total Long-Term Liabilities	<u>\$ 5,662,076</u>	<u>\$ 6,267,558</u>	-9.66%

The District’s long-term liabilities decreased \$605,482 or 9.66% due to the decrease in net pension liability of \$631,222, offset by the increase in compensated absences payable of \$25,740.

Factors Bearing on the District's Future

The Sussex-Wantage Regional School District remains financially stable even with continued uncertainty in State funding and the long-lasting effects of the COVID-19 pandemic that began in mid-March 2020. The District has and will continue to maintain programs and class size despite the uncertainty.

The district will continue to look at ways to contain and cut costs, in addition to, working to ensure the health, safety and well-being of our students and staff.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the money it receives. Questions about this report or additional financial information needs should be directed to Christina Riker, School Business Administrator, Sussex-Wantage Regional Board of Education, 27 Bank Street, Sussex, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 6,675,564	\$ 223,853	\$ 6,899,417
Internal Balances	57,154	(57,154)	
Receivables from State Government	707,709	1,592	709,301
Receivables from Federal Government	285,548	30,390	315,938
Other Accounts Receivable	1,024	4,276	5,300
Inventories		22,931	22,931
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	2,057,107		2,057,107
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	6,769,149	63,538	6,832,687
Total Assets	<u>16,553,255</u>	<u>289,426</u>	<u>16,842,681</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows Related to Pensions	786,471		786,471
Total Deferred Outflows of Resources	<u>786,471</u>		<u>786,471</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,147,964	20,814	1,168,778
Payable to State Government	409,847		409,847
Payable to Federal Government	3,075		3,075
Unearned Revenue	44,785	40,394	85,179
Noncurrent Liabilities:			
Due Within One Year	20,006		20,006
Due Beyond One Year	5,642,070		5,642,070
Total Liabilities	<u>7,267,747</u>	<u>61,208</u>	<u>7,328,955</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows Related to Pensions	2,410,689		2,410,689
Total Deferred Inflows of Resources	<u>2,410,689</u>		<u>2,410,689</u>
<u>NET POSITION</u>			
Investment in Capital Assets	6,769,149	63,538	6,832,687
Restricted for:			
Capital Projects	1,169,757		1,169,757
Maintenance Reserve	250,000		250,000
Excess Surplus	4,437,462		4,437,462
Unemployment Compensation	500,292		500,292
Student Activities	137,058		137,058
Unrestricted/(Deficit)	<u>(5,602,428)</u>	<u>164,680</u>	<u>(5,437,748)</u>
Total Net Position	<u>\$ 7,661,290</u>	<u>\$ 228,218</u>	<u>\$ 7,889,508</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 9,433,284		\$ 2,600,532		\$ (6,832,752)		\$ (6,832,752)
Special Education	5,918,125		3,117,026		(2,801,099)		(2,801,099)
Other Special Instruction	618,096		104,780		(513,316)		(513,316)
School Sponsored	235,897		132,363		(103,534)		(103,534)
Support Services:							
Tuition	350,516		94,554		(255,962)		(255,962)
Student and Instruction Related Services	3,859,678	\$ 6,370	968,401		(2,884,907)		(2,884,907)
General Administrative Services	596,714		9,615		(587,099)		(587,099)
School Administrative Services	955,640		151,860		(803,780)		(803,780)
Central Services	431,464		13,073		(418,391)		(418,391)
Administrative Information Technology	254,652		4,364		(250,288)		(250,288)
Plant Operations and Maintenance	2,039,292		38,127	\$ 41,637	(1,959,528)		(1,959,528)
Pupil Transportation	1,491,213	66,607	810,629		(613,977)		(613,977)
Unallocated Depreciation	526,170				(526,170)		(526,170)
Transfer of Funds to Charter School	801,400				(801,400)		(801,400)
Capital Outlay	1,273				(1,273)		(1,273)
Total Governmental Activities	27,513,414	72,977	8,045,324	41,637	(19,353,476)		(19,353,476)
Business-Type Activities:							
Food Service	271,882		260,172			\$ (11,710)	(11,710)
Care Program	40,450	25,388				(15,062)	(15,062)
Total Business-Type Activities	312,332	25,388	260,172			(26,772)	(26,772)
Total Primary Government	\$ 27,825,746	\$ 98,365	\$ 8,305,496	\$ 41,637	(19,353,476)	(26,772)	(19,380,248)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 16,816,591		\$ 16,816,591
Federal and State Aid not Restricted	4,898,614		4,898,614
Interest Earnings	21,327	\$ 265	21,592
Miscellaneous Income	18,852		18,852
Total General Revenues	21,755,384	265	21,755,649
Change in Net Position	2,401,908	(26,507)	2,375,401
Net Position - Beginning (as Restated)	5,259,382	254,725	5,514,107
Net Position - Ending	\$ 7,661,290	\$ 228,218	\$ 7,889,508

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 6,427,534	\$ 220,393	\$ 27,637	\$ 6,675,564
Interfund Receivable	57,154			57,154
Receivables From State Government	707,709			707,709
Receivables From Federal Government		285,548		285,548
Other Accounts Receivable	1,024			1,024
Restricted Cash and Cash Equivalents	<u>1,920,049</u>	<u>137,058</u>		<u>2,057,107</u>
Total Assets	<u>\$ 9,113,470</u>	<u>\$ 642,999</u>	<u>\$ 27,637</u>	<u>\$ 9,784,106</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 756,958	\$ 48,334		\$ 805,292
Payable to State Government		409,847		409,847
Payable to Federal Government		3,075		3,075
Unearned Revenue	<u>100</u>	<u>44,685</u>		<u>44,785</u>
Total Liabilities	<u>757,058</u>	<u>505,941</u>		<u>1,262,999</u>
Fund Balances:				
Restricted:				
Excess Surplus - Restricted for 2022-2023	2,070,635			2,070,635
Excess Surplus - Restricted for 2021-2022	2,366,827			2,366,827
Capital Reserve Account	1,169,757			1,169,757
Maintenance Reserve Account	250,000			250,000
Unemployment Compensation	500,292			500,292
Student Activities		137,058		137,058
Committed			\$ 27,637	27,637
Assigned:				
Year-end Encumbrances	1,437,673			1,437,673
Unassigned	<u>561,228</u>			<u>561,228</u>
Total Fund Balances	<u>8,356,412</u>	<u>137,058</u>	<u>27,637</u>	<u>8,521,107</u>
Total Liabilities and Fund Balances	<u>\$ 9,113,470</u>	<u>\$ 642,999</u>	<u>\$ 27,637</u>	<u>\$ 9,784,106</u>

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Fund Balances at June 30, 2021	\$ 8,521,107
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	6,769,149
Long-Term Liabilities, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(691,910)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Total
Governmental
Funds

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.

\$ (4,970,166)

Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:

Deferred Outflows
Deferred Inflows

443,799
(2,410,689)

Net Position of Governmental Activities

\$ 7,661,290

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL
STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 16,816,591			\$ 16,816,591
Transportation Fees	66,607			66,607
Restricted Miscellaneous Revenue	21,327	\$ 6,370		27,697
Unrestricted Miscellaneous Revenue	18,852			18,852
Total - Local Sources	16,923,377	6,370		16,929,747
State Sources	11,523,556	35,329		11,558,885
Federal Sources	80,537	788,531		869,068
Total Revenues	28,527,470	830,230		29,357,700
EXPENDITURES:				
Current:				
Regular Instruction	5,242,761	281,106		5,523,867
Special Education Instruction	3,267,319	98,431		3,365,750
Other Special Instruction	445,117			445,117
School-Sponsored	11,070			11,070
Support Services and Undistributed Costs:				
Tuition	255,962	94,554		350,516
Student and Other Instruction Related Services	2,225,318	317,337		2,542,655
General Administrative Services	501,836			501,836
School Administrative Services	583,644			583,644
Central Services	322,062			322,062
Administrative Information Technology	217,425			217,425
Plant Operations and Maintenance	1,704,981			1,704,981
Student Transportation	1,325,518			1,325,518
Unallocated Benefits	8,927,112			8,927,112
Capital Outlay	640,236	41,637		681,873
Transfer of Funds to Charter School	801,400			801,400
Total Expenditures	26,471,761	833,065		27,304,826
Excess/(Deficit) of Revenue Over/(Under) Expenditures	2,055,709	(2,835)		2,052,874
Fund Balance - July 1 (as Restated)	6,300,703	139,893	\$ 27,637	6,468,233
Fund Balance - June 30	\$ 8,356,412	\$ 137,058	\$ 27,637	\$ 8,521,107

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 2,052,874

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 differ from depreciation in the period.

	Depreciation Expense	\$ (633,897)	
	Capital Outlays	<u>693,186</u>	
			59,289

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

Change in Net Pension Liability	631,222
Change in Deferred Outflows	(271,954)
Change in Deferred Inflows	(43,783)

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

	<u>(25,740)</u>
Change in net position of governmental activities (A-2)	<u><u>\$ 2,401,908</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Food Service</u>	<u>Fund</u>	
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 96,013	\$ 127,840	\$ 223,853
Intergovernmental Accounts Receivable:			
State	1,592		1,592
Federal	30,390		30,390
Other Accounts Receivable	4,276		4,276
Inventories	22,931		22,931
Total Current Assets	<u>155,202</u>	<u>127,840</u>	<u>283,042</u>
Non-Current Assets:			
Capital Assets	278,776		278,776
Accumulated depreciation	(215,238)		(215,238)
Total Non-Current Assets	<u>63,538</u>		<u>63,538</u>
Total Assets	<u>218,740</u>	<u>127,840</u>	<u>346,580</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Vendors	20,814		20,814
Interfund Payable	57,154		57,154
Unearned Revenue - Donated Commodities	12,731		12,731
Unearned Revenue - Prepaid Sales/Fees	6,365	21,298	27,663
Total Current Liabilities	<u>97,064</u>	<u>21,298</u>	<u>118,362</u>
NET POSITION:			
Investment in Capital Assets	63,538		63,538
Unrestricted	58,138	106,542	164,680
Total Net Position	<u>\$ 121,676</u>	<u>\$ 106,542</u>	<u>\$ 228,218</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Food Service</u>	<u>Fund</u>	
Operating Revenue:			
Local Sources:			
Child Care Fees		\$ 25,388	\$ 25,388
Total Operating Revenue		25,388	25,388
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	\$ 128,937		128,937
Salaries	75,509	39,487	114,996
Employee Benefits and Payroll Taxes	20,322		20,322
Purchased Services	14,264	440	14,704
Supplies and Materials	14,848	260	15,108
Depreciation	13,715		13,715
Other	4,287	263	4,550
Total Operating Expenses	271,882	40,450	312,332
Operating Loss	(271,882)	(15,062)	(286,944)
Non-Operating Revenue:			
State Sources:			
COVID-19 - Seamless Summer Option	8,950		8,950
Federal Sources:			
COVID-19 - Seamless Summer Option	231,266		231,266
Food Distribution Program	19,956		19,956
Local Sources:			
Interest Revenue	265		
Total Non-Operating Revenue	260,437		260,172
Change in Net Position	(11,445)	(15,062)	(26,507)
Net Position - Beginning of Year	133,121	121,604	254,725
Net Position - End of Year	\$ 121,676	\$ 106,542	\$ 228,218

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Food Service</u>	<u>Fund</u>	
Cash Flows for Operating Activities:			
Receipts from Customers	\$ (199)	\$ 47,585	\$ 47,386
Payments for Salaries, Payroll Taxes and Benefits	(95,831)	(39,487)	(135,318)
Payments to Suppliers	(125,969)	(963)	(126,932)
Net Cash Provided by/(Used for) Operating Activities	<u>(221,999)</u>	<u>7,135</u>	<u>(214,864)</u>
Cash Flows from Noncapital Financing Activities:			
Partial Settlement of Prior Year Interfund	8,396		8,396
Federal and State Sources Received in Food Service Fund	175,596		175,596
Net Cash Provided by Noncapital Financing Activities	<u>183,992</u>		<u>183,992</u>
Cash Flows from Investing Activities:			
Interest on Investments	265		265
Net Cash Provided by Investing Activities	<u>265</u>		<u>265</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(37,742)	7,135	(30,607)
Cash and Cash Equivalents, July 1	133,755	120,705	254,460
Cash and Cash Equivalents, June 30	<u>\$ 96,013</u>	<u>\$ 127,840</u>	<u>\$ 223,853</u>
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities			
Operating Loss	\$ (271,882)	\$ (15,062)	\$ (286,944)
Adjustment to Reconcile Operating Loss to Net Cash Provided by (Used for)			
Operating Activities:			
Depreciation	13,715		13,715
Food Distribution Program	19,956		19,956
Changes in Assets and Liabilities:			
(Increase) in Inventory	(2,342)		(2,342)
Decrease in Other Accounts Receivable	2,815	1,299	4,114
Increase in Accounts Payable	10,620		10,620
Increase in Unearned Revenue - Donated Commodities	5,318		5,318
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	(199)	20,898	20,699
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (221,999)</u>	<u>\$ 7,135</u>	<u>\$ (214,864)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,274 and utilized commodities valued at \$19,956 for the fiscal year ended June 30, 2021.

The General Fund purchased \$4,404 of capital assets on behalf of the Food Service Fund which is included in the interfund payable due to the General Fund at June 30, 2021.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE 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 (the "Board") of the Sussex-Wantage Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) 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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the 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. Separate statements for each fund category – governmental and proprietary - 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.

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 and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria operations and its Care Program. These two Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. 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. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for fiscal year ending June 30, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary 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 budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 28,461,501	\$ 837,336
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		4,171
Current Year Encumbrances		(11,277)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	701,277	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(635,308)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 28,527,470	\$ 830,230
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,471,761	\$ 840,171
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Prior Year Encumbrances		4,171
Current Year Encumbrances		(11,277)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,471,761	\$ 833,065

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances:

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	40 years
Site Improvements	20 years
Machinery and Equipment	10 to 12 years

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts are amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2021, the amount earned by these employees but not disbursed was \$645,894.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

In the district-wide *Statement of Net Position*, 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.

O. Unearned Revenue

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

P. Fund Balance Appropriated:

General Fund: Of the \$8,356,412 General Fund fund balance at June 30, 2021, \$1,169,757 is restricted in a capital reserve; \$250,000 is restricted in a maintenance reserve; \$2,366,827 is restricted as prior year excess surplus which has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2022; \$2,070,635 is restricted as current year excess

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$1,437,673 is assigned for year-end encumbrances; \$500,292 is restricted for unemployment compensation. Additionally, there is \$561,228 of unassigned fund balance which is \$635,308 less than the actual year-end unassigned fund balance, on a GAAP Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022.

Special Revenue Fund: The entire \$137,058 fund balance at June 30, 2021 is restricted for student activities.

Capital Projects Fund: The entire \$27,637 fund balance at June 30, 2021 is committed.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as noted on the prior page.

Unassigned General Fund fund balance is \$635,308 less on a GAAP basis than budgetary basis as of June 30, 2021 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record these state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2021 related to pensions.

The District had deferred inflows of resources at June 30, 2021 related to pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition,

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Net Position: (Cont'd)

construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

R. Deficit Net Position

There is a deficit in unrestricted governmental activities net position of \$5,602,428 which is primarily a result of compensated absences payable, net pension liability and the related deferred inflows and outflows offset by assigned and unassigned General Fund fund balances. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, unemployment compensation and student activities, a maintenance reserve and a capital reserve in the General Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources at June 30, 2021 in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund at June 30, 2021 for year-end encumbrances and for amounts designated for subsequent year's expenditures.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Revenue - 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 fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property 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 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, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue 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 and Care Program fees. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

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

W. Pensions:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Pensions: (Cont'd)

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

Custodial Credit Risk – the District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

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:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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

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.

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund establish pursuant to section 1 of P.L. 1977,C.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

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

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents				Total
		Capital Reserve	Maintenance Reserve	Unemployment Compensation	Student Activities	
Checking Accounts	\$ 6,899,417	\$ 1,169,757	\$ 250,000	\$ 500,292	\$ 137,058	\$ 8,956,524

The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$8,956,524 and the bank balance was \$9,595,025.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account in the amount of \$400,000 was established by Board resolution on June 26, 2013 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). 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. 6:23A-5.1(d)7, 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		\$1,623,184
Add:		
Deposit - Board Resolution June 24, 2021	\$ 1,000,000	
Unexpended Balance of Budgeted Withdrawal	12,573	
		1,012,573
Less:		
Withdrawal - Board Resolution June 10, 2021	466,000	
Budgeted Withdrawal	1,000,000	
		1,466,000
Ending Balance, June 30, 2021		<u>\$1,169,757</u>

The balance in the capital reserve at June 30, 2021 did not exceed the balance of local support costs of uncompleted capital projects in the District’s approved Long Range Facilities Plan. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$250,000 was established by resolution on June 24, 2021. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building. Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year’s budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account.

In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget.

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 maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	-0-
Deposit - Board Resolution June 24, 2021		<u>250,000</u>
Ending Balance, June 30, 2021	\$	<u><u>250,000</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$11,161,513	\$ 98,504		\$ 11,260,017
Site Improvements	1,605,391	513,112		2,118,503
Machinery and Equipment	2,318,397	81,570		2,399,967
Total Capital Assets Being Depreciated	<u>15,085,301</u>	<u>693,186</u>		<u>15,778,487</u>
Governmental Activities Capital Assets	<u>15,085,301</u>	<u>693,186</u>		<u>15,778,487</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(6,303,989)	(385,015)		(6,689,004)
Site Improvements	(384,173)	(141,155)		(525,328)
Machinery and Equipment	(1,687,279)	(107,727)		(1,795,006)
	<u>(8,375,441)</u>	<u>(633,897)</u>		<u>(9,009,338)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,709,860</u>	<u>\$ 59,289</u>	<u>\$ -0-</u>	<u>\$ 6,769,149</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 274,372	\$ 4,404		\$ 278,776
Less Accumulated Depreciation	(201,523)	(13,715)		(215,238)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 72,849</u>	<u>\$ (9,311)</u>	<u>\$ -0-</u>	<u>\$ 63,538</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 3,772
Student and Instruction Related Services	6,384
General Administrative Services	12,279
School Administrative Services	32,940
Central Services	1,653
Plant Operations and Maintenance	18,954
Pupil Transportation	31,745
Unallocated	<u>526,170</u>
	<u>\$633,897</u>

NOTE 7: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District made transfers to the capital outlay accounts which required approval of the County Superintendent.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2020</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2021</u>
Compensated Absences Payable	\$ 666,170	\$ 62,539	\$ 36,799	\$ 691,910
Net Pension Liability	<u>5,601,388</u>		<u>631,222</u>	<u>4,970,166</u>
	<u>\$ 6,267,558</u>	<u>\$ 62,539</u>	<u>\$ 668,021</u>	<u>\$ 5,662,076</u>

A. Bonds Authorized But Not Issued / Bonds Payable:

As of June 30, 2021, the District has no bonds authorized but not issued or bonded debt outstanding.

B. Capital Leases Payable:

As of June 30, 2021, the District has no capital leases payable.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is \$691,910. The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. The current portion is \$20,006 and \$671,904 is the long-term portion. The General Fund will be used to liquidate the Compensated Absences Payable.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

C. Compensated Absences Payable: (Cont'd)

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 Enterprise Funds.

D. Operating Lease Payable:

The District has a commitment to lease copiers under an operating lease which expires in 2022. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 64,130
June 30, 2023	34,440
June 30, 2024	34,440
June 30, 2025	<u>22,960</u>
 Total future minimum lease payments	 <u>\$ 155,970</u>

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long-term portion is \$4,970,166. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Public Employee's Retirement System (PERS) of New Jersey, or the Teachers' Pension and Annuity Fund (TPAF); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$333,415 for fiscal year 2021.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.50% effective July 1, 2018.

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 \$4,970,166 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 used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.0305%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$17,928. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	5.57	\$ 161,238	
	2017	5.48		\$ 470,467
	2018	5.63		461,561
	2019	5.21		366,545
	2020	5.16		782,482
			<u>161,238</u>	<u>2,081,055</u>
Changes in Proportion	2016	5.57	17,365	
	2017	5.48	4,814	
	2018	5.63		159,012
	2019	5.21		42,524
	2020	5.16		110,521
			<u>22,179</u>	<u>312,057</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(60,820)	
	2018	5.00	(56,407)	
	2019	5.00	13,651	
	2020	5.00	273,460	
			<u>169,884</u>	
Difference Between Expected and Actual Experience	2016	5.57	4,893	
	2017	5.48	13,992	
	2018	5.63		17,577
	2019	5.21	28,019	
	2020	5.16	43,594	
			<u>90,498</u>	<u>17,577</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	342,672	
			<u>\$ 786,471</u>	<u>\$ 2,410,689</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2021	\$ (623,665)
2022	(568,593)
2023	(324,936)
2024	(131,399)
2025	(28,419)
	\$ (1,677,012)

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

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 a 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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
 (Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 through 2057. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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 collective net pension liability as of June 30, 2020 calculated using the discount rate as disclosed below, 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:

	June 30, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 6,242,749	\$ 4,970,166	\$ 3,869,991

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2021, the State of New Jersey contributed \$2,792,198 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$3,886,850.

The employee contribution rate was 7.50% effective July 1, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$62,505,369. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2020, the District's proportion was 0.095%, which was a decrease of .001% from its proportion measured as of June 30, 2019.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	62,505,369
Total	<u>\$ 62,505,369</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$3,886,850 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 461,324,773	
	2015	8.3	1,638,696,238	
	2016	8.3	4,304,747,820	
	2017	8.3		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	1,411,170,422	
			<u>7,815,939,253</u>	<u>14,241,964,752</u>
Difference Between Expected and Actual Experience	2014	8.5		4,393,807
	2015	8.3	101,207,836	
	2016	8.3		53,533,223
	2017	8.3	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		7,520,890
			<u>986,767,511</u>	<u>182,357,860</u>
Net Difference Between Projected and Actual	2017	5	(226,008,261)	
Investment Earnings on Pension Plan Investments	2018	5	(192,060,744)	
	2019	5	108,662,078	
	2020	5	965,582,162	
			<u>656,175,235</u>	
			<u>\$ 9,458,881,999</u>	<u>\$ 14,424,322,612</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

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 Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% based on years of service
Thereafter	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

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 made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2020 calculated using the discount rate as disclosed 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:

	June 30, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 73,419,876	\$ 62,505,369	\$ 53,442,702

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$21,135 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$38,749 for the fiscal year ended June 30, 2021.

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. Health benefits are provided through Horizon Blue Cross/Blue Shield of NJ.

Property and Liability Insurance

The Sussex-Wantage Regional School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

Selected, summarized financial information for the Fund as of June 30, 2021 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	<u>\$ 52,863,732</u>
Net Position	<u>\$ 20,991,515</u>
Total Revenue	<u>\$ 42,696,854</u>
Total Expenses	<u>\$ 42,245,248</u>
Change in Net Position	<u>\$ 451,606</u>
Member Dividends	<u>\$ -0-</u>

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550
(609) 275-1155

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, interest earned, 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>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Cancel Prior Year Interfund- District Contribution</u>	<u>Ending Balance</u>
2020-2021		\$ 959	\$ 61,767	\$ 41,399		\$ 500,292
2019-2020		1,002	46,481	83,049		478,965
2018-2019		1,004	68,448	46,788	\$ 77,000	514,531

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 57,154	
Food Service Fund		\$ 57,154
	\$ 57,154	\$ 57,154

The interfund payable in the Food Service Fund due to the General Fund is for equipment purchases and repairs paid by the General Fund on behalf of the Food Service Fund in the prior year and the current year, offset by current year subsidy claim reimbursements received in the General Fund and not turned over to the Food Service Fund.

NOTE 13. DEFERRED COMPENSATION

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

The 403(b) plan administrators are as follows:

Variable Annuity Life (VALIC)	Lincoln Investment Planning
Equitable Life Insurance Company	Lincoln National Life
Metropolitan Life Insurance Company	Security Benefit Corp.

Equitable Life Insurance Company is the plan administrator for the District's Internal Revenue Code Section 457 plan.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the local school district on predetermined mutually agreed-upon schedules.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

The school district participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to 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

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from any additional litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2021, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 1,437,673	\$ 11,277	\$ 1,448,950

On the District's Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$11,277 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 16. ACCOUNTS PAYABLE

	<u>Governmental Funds</u>		District Contri- bution Subsequent to the Measure- ment Date	Total Governmental Activities	<u>Business-Type</u> <u>Activities</u>
	General Fund	Special Revenue Fund			Proprietary Funds
Vendors	\$ 81,559	\$ 48,334		\$ 129,893	
Payroll Deductions and Withholdings	29,505			29,505	\$ 20,814
Accrued Salaries and Wages	645,894			645,894	
Due to State of New Jersey			\$ 342,672	342,672	
	<u>\$ 756,958</u>	<u>\$ 48,334</u>	<u>\$ 342,672</u>	<u>\$ 1,147,964</u>	<u>\$ 20,814</u>

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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.

Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 55,232,328
Changes for Year:	
Service Cost	1,629,896
Interest on the Total OPEB Liability	2,172,888
Changes of Assumptions	722,906
Differences between Expected and Actual Experience	(9,829,462)
Gross Benefit Payments by the State	(1,488,325)
Contributions from Members	44,118
Net Changes	(6,747,979)
Balance at June 30, 2019	\$ 48,484,349

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2019		
	At 1% Decrease (2.5%)	At Discount Rate (3.5%)	At 1% Increase (4.5%)
Total OPEB Liability Attributable to the District	\$ 57,279,176	\$ 48,484,349	\$ 41,498,221

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2019, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 39,948,943	\$ 48,484,349	\$ 59,783,475

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$354,650 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 5,644,559
	2018	9.51		4,855,084
	2019	9.29	\$ 645,090	
			<u>645,090</u>	<u>10,499,643</u>
Differences between Expected and Actual Experience	2018	9.51		4,589,565
	2019	9.29		7,592,747
			<u>-0-</u>	<u>12,182,313</u>
Changes in Proportion	N/A	N/A		<u>3,463,953</u>
			<u>\$ 645,090</u>	<u>\$ 26,145,909</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

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

Fiscal Year Ending June 30,	Total
2020	\$ (2,958,770)
2021	(2,958,769)
2022	(2,958,769)
2023	(2,958,769)
2024	(2,958,769)
Thereafter	(7,243,020)
	\$ (22,036,866)

NOTE 18. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District's Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to hand out free meals to all students during the entire school year and distributed meals over the summer 2021 months as well.

The District's Care Program Enterprise Fund has also been impacted by COVID-19 for the fiscal year ending June 30, 2022. While Care Program services were offered during the summer of 2021 and are offered full time as before the pandemic began there are limited staff and enrollment has been impacted by COVID-19 quarantines/cases.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 19. PRIOR PERIOD ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to this implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 as Restated
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$ 4,640,524	\$ 618,858	\$ 5,259,382
<u>Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:</u>			
General Fund:			
Fund Balance - June 30	\$ 5,821,738	\$ 478,965	\$ 6,300,703
Special Revenue Fund:			
Fund Balance - June 30	\$ -0-	\$ 139,893	\$ 139,893
<u>Statement of Changes in Fiduciary Net Position - Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	\$ 478,965	\$ (478,965)	\$ -0-

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0321296257%	0.0319647358%	0.0328190778%	0.0329008244%	0.0313916000%	0.0310869035%	0.0304780048%
District's proportionate share of the net pension liability	\$ 6,015,545	\$ 7,175,443	\$ 9,720,070	\$ 7,658,786	\$ 6,180,850	\$ 5,601,388	\$ 4,970,166
District's covered employee payroll	\$ 2,191,492	\$ 2,205,424	\$ 2,271,942	\$ 2,171,489	\$ 2,139,147	\$ 2,176,370	\$ 2,141,306
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	274.50%	325.35%	427.83%	352.70%	288.94%	257.37%	232.11%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 264,872	\$ 274,811	\$ 292,386	\$ 307,366	\$ 319,628	\$ 303,259	\$ 333,415
Contributions in relation to the contractually required contribution	(264,872)	(274,811)	(292,386)	(307,366)	(319,628)	(303,259)	(333,415)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,205,424	\$ 2,271,942	\$ 2,171,489	\$ 2,139,147	\$ 2,176,370	\$ 2,141,306	\$ 2,138,878
Contributions as a percentage of covered employee payroll	12.01%	12.10%	13.46%	14.37%	14.69%	14.16%	15.59%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT
ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.0987102624%	0.0990234474%	0.0967929031%	0.0982149259%	0.0982084846%	0.0955000726%	0.0949225677%
State's proportionate share of the net pension liability attributable to the District	\$ 52,757,423	\$ 62,587,047	\$ 76,143,460	\$ 66,220,045	\$ 62,478,128	\$ 58,609,296	\$ 62,505,369
District's covered employee payroll	\$ 9,723,839	\$ 9,630,467	\$ 10,159,774	\$ 10,058,856	\$ 9,863,448	\$ 10,456,315	\$ 9,858,265
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	542.56%	649.89%	749.46%	658.33%	633.43%	560.52%	634.04%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 2,838,845	\$ 3,821,503	\$ 5,721,122	\$ 4,587,389	\$ 3,642,256	\$ 3,456,933	\$ 3,886,850
Contributions in relation to the contractually required contribution	(535,357)	(774,962)	(1,066,097)	(1,446,265)	(1,878,255)	(2,082,015)	(2,792,198)
Contribution deficiency/(excess)	<u>\$ 2,303,488</u>	<u>\$ 3,046,541</u>	<u>\$ 4,655,025</u>	<u>\$ 3,141,124</u>	<u>\$ 1,764,001</u>	<u>\$ 1,374,918</u>	<u>\$ 1,094,652</u>
District's covered employee payroll	9,723,839	9,630,467	10,159,774	10,058,856	9,863,448	9,858,265	9,693,836
Contributions as a percentage of covered employee payroll	5.51%	8.05%	10.49%	14.38%	19.04%	21.12%	28.80%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Years Ending June 30,		
	2017	2018	2019
Service Cost	\$ 2,341,403	\$ 1,948,967	\$ 1,629,896
Interest on the Total OPEB Liability	2,074,882	2,398,940	2,172,888
Changes in Assumptions	(8,371,803)	(6,338,186)	722,906
Differences between Expected and Actual Experience		(7,118,728)	(9,829,462)
Contributions from Members	56,092	51,044	44,118
Gross Benefit Payments by the State	(1,523,308)	(1,476,893)	(1,488,325)
Net Change in Total OPEB Liability	(5,422,734)	(10,534,856)	(6,747,979)
Total OPEB Liability - Beginning	71,189,918	65,767,184	55,232,328
Total OPEB Liability - Ending	\$ 65,767,184	\$ 55,232,328	\$ 48,484,349
District's Covered Employee Payroll *	\$ 12,431,716	\$ 12,230,345	\$ 12,002,595
Total OPEB Liability as a Percentage of Covered Employee Payroll	529%	452%	404%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018 and 2019 are based on the payroll on the June 30, 2016, 2017 and 2018 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

The mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 16,816,591		\$ 16,816,591	\$ 16,816,591	\$ (24,000)
Tuition from Other Governmental Sources within the State	24,000		24,000		(22,720)
Transportation Fees	89,327		89,327	66,607	21,327
Restricted Miscellaneous Revenues	66,284		66,284	18,852	(47,432)
Unrestricted Miscellaneous Revenues					
Total - Local Sources	16,996,202		16,996,202	16,923,377	(72,825)
State Sources:					
Extraordinary Aid	350,000		350,000	664,183	314,183
Categorical Special Education Aid	833,307		833,307	833,307	
School Choice Aid	30,444		30,444	30,444	
Equalization Aid	4,566,167		4,566,167	4,566,167	
Categorical Security Aid	155,733		155,733	155,733	
Categorical Transportation Aid	784,782		784,782	784,782	
Other State Aids	15,000		15,000	10,028	(4,972)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				2,792,198	2,792,198
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				53,125	53,125
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				891,680	891,680
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				1,567	1,567
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				674,373	674,373
Total State Sources	6,735,433		6,735,433	11,457,587	4,722,154
Federal Sources:					
Medicaid Reimbursement	72,977		72,977	80,537	7,560
Total Federal Sources	72,977		72,977	80,537	7,560
TOTAL REVENUES	23,804,612		23,804,612	28,461,501	4,656,889

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 429,925	\$ (22,267)	\$ 407,658	\$ 403,010	\$ 4,648
Grades 1-5 - Salaries of Teachers	2,354,518	251,128	2,605,646	2,605,646	
Grades 6-8 - Salaries of Teachers	1,987,013	(64,767)	1,922,246	1,891,613	30,633
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000		5,000		5,000
Purchased Professional - Educational Services	5,000		5,000		5,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	193,891	(23,447)	170,444	57,521	112,923
Purchased Professional - Educational Services	64,120	5,710	69,830	69,830	
Purchased Technical Services	4,800		4,800	173	4,627
Other Purchased Services (400-500 Series)	7,500		7,500	1,819	5,681
General Supplies	273,725	(5,710)	268,015	183,690	84,325
Textbooks	40,000	(40,000)			
Other Objects	29,459		29,459	29,459	
Total Regular Programs - Instruction	5,394,951	100,647	5,495,598	5,242,761	252,837
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	238,538	17,584	256,122	256,122	
Other Salaries for Instruction	129,615	(7,926)	121,689	121,510	179
General Supplies	4,550	(1,098)	3,452	2,976	476
Textbooks	300		300		300
Total Learning and/or Language Disabilities	373,003	8,560	381,563	380,608	955

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 314,217		\$ 314,217	\$ 307,946	\$ 6,271
Other Salaries for Instruction	308,454	\$ (17,102)	291,352	207,984	83,368
General Supplies	5,350		5,350	4,498	852
Total Multiple Disabilities	<u>628,021</u>	<u>(17,102)</u>	<u>610,919</u>	<u>520,428</u>	<u>90,491</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,733,853	(15,059)	1,718,794	1,447,945	270,849
Other Salaries for Instruction	123,144	26,706	149,850	149,517	333
General Supplies	13,700	(4,000)	9,700	4,339	5,361
Total Resource Room/Resource Center	<u>1,870,697</u>	<u>7,647</u>	<u>1,878,344</u>	<u>1,601,801</u>	<u>276,543</u>
Autism:					
Salaries of Teachers	141,064	9,915	150,979	150,979	
Other Salaries for Instruction	283,531	(10,022)	273,509	235,743	37,766
General Supplies	2,500		2,500	1,628	872
Total Autism	<u>427,095</u>	<u>(107)</u>	<u>426,988</u>	<u>388,350</u>	<u>38,638</u>
Preschool Handicapped - Part Time:					
Salaries of Teachers	188,791	28,542	217,333	217,333	
Other Salaries for Instruction	172,770	(18,702)	154,068	153,340	728
General Supplies	3,650		3,650	2,763	887
Total Preschool Handicapped - Part Time	<u>365,211</u>	<u>9,840</u>	<u>375,051</u>	<u>373,436</u>	<u>1,615</u>
Home Instruction:					
Salaries of Teachers	10,000		10,000	2,696	7,304
Total Home Instruction	<u>10,000</u>		<u>10,000</u>	<u>2,696</u>	<u>7,304</u>
Total Special Education Instruction	<u>3,674,027</u>	<u>8,838</u>	<u>3,682,865</u>	<u>3,267,319</u>	<u>415,546</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 165,116	\$ 54,058	\$ 219,174	\$ 219,174	
General Supplies	4,300		4,300	2,401	\$ 1,899
Total Basic Skills/Remedial - Instruction	169,416	54,058	223,474	221,575	1,899
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	81,826		81,826	11,070	70,756
Purchased Services (300-500 Series)	5,000		5,000		5,000
Supplies and Materials	5,000		5,000		5,000
Total School-Sponsored Cocurricular Activities - Instruction	91,826		91,826	11,070	80,756
Other Supplemental At Risk Programs Instruction					
Salaries of Teachers	116,765		116,765	53,280	63,485
Salaries of Reading Specialists	126,649		126,649	122,651	3,998
Total Other Supplemental At risk Programs Instruction	243,414		243,414	175,931	67,483
Other Alternative Education Programs Instruction					
Salaries of Teachers	59,535		59,535	47,439	12,096
General Supplies	1,050		1,050	172	878
Total Other Alternative Education Programs Instruction	60,585		60,585	47,611	12,974
Total Instruction	9,634,219	163,543	9,797,762	8,966,267	831,495
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	76,703	188,057	264,760	255,962	8,798
Tuition to Private Schools for the Handicapped - Within State	196,362	(188,057)	8,305		8,305
Total Undistributed Expenditures - Instruction:	273,065		273,065	255,962	17,103
Attendance and Social Work:					
Salaries of Drop-Out Prevention Officer/Coordinator	1,500		1,500		1,500
Total Attendance and Social Work	1,500		1,500		1,500

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Health Services:					
Salaries	\$ 284,622		\$ 284,622	\$ 234,635	\$ 49,987
Purchased Professional and Technical Services	2,500		2,500	728	1,772
Other Purchased Services (400-500 Series)	5,000		5,000	5,000	
Supplies and Materials	6,648	\$ 369	7,017	6,603	414
Other Objects	7,050	(369)	6,681	1,925	4,756
Total Health Services	305,820		305,820	248,891	56,929
Speech, OT, PT and Related Services:					
Salaries	256,134		256,134	252,120	4,014
Purchased Professional - Educational Services	262,395		262,395	120,685	141,710
Supplies and Materials	4,675		4,675	2,105	2,570
Total Speech, OT, PT and Related Services	523,204		523,204	374,910	148,294
Other Support Services - Guidance:					
Salaries of Other Professional Staff	244,423		244,423	240,815	3,608
Total Other Support Services - Guidance	244,423		244,423	240,815	3,608
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	925,062		925,062	855,056	70,006
Salaries of Secretarial and Clerical Assistants	123,687		123,687	119,732	3,955
Purchased Professional - Educational Services	12,410		12,410	11,660	750
Total Other Support Services - Child Study Team	1,061,159		1,061,159	986,448	74,711
Educational Media Services/School Library:					
Salaries	223,849		223,849	220,770	3,079
Salaries of Technology Coordinators	80,000	6,801	86,801	86,801	
Supplies and Materials	32,470	(6,801)	25,669	17,936	7,733
Total Educational Media Services/School Library	336,319		336,319	325,507	10,812

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 19,551	\$ 201	\$ 19,752	\$ 19,752	
Salaries of Secretarial and Clerical Assistants	22,254		22,254	22,254	
Purchased Professional - Educational Services	40,800		40,800	6,649	\$ 34,151
Supplies and Materials	3,500	(201)	3,299	92	3,207
Other Objects	500		500		500
Total Instructional Staff Training Services	86,605		86,605	48,747	37,858
Support Services - General Administration:					
Salaries	228,305	113	228,418	228,418	
Legal Services	50,000	14,359	64,359	64,359	
Audit Fees	63,750	(1)	63,749	31,000	32,749
Other Purchased Professional Services	35,550	(113)	35,437	34,480	957
Purchased Technical Services	4,600	84	4,684	4,684	
Communications/Telephone	74,900	970	75,870	70,806	5,064
Other Purchased Services (400-500 Series)	49,480	1	49,481	49,481	
General Supplies	5,000		5,000	708	4,292
BOE In-house Training/Meeting Supplies	500		500	199	301
Judgements Against the School District	14,500	(14,358)	142	142	
Miscellaneous Expenditures	15,829	(1,054)	14,775	6,035	8,740
BOE Membership Dues and Fees	12,000	(1)	11,999	11,666	333
Total Support Services - General Administration	554,414		554,414	501,836	52,578
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	301,364	187	301,551	301,551	
Salaries of Secretarial and Clerical Assistants	259,119	313	259,432	256,193	3,239
Supplies and Materials	26,438	(500)	25,938	8,722	17,216
Other Objects	27,010		27,010	17,178	9,832
Total Support Services - School Administration	613,931		613,931	583,644	30,287

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Central Services:					
Salaries	\$ 309,848	\$ 810	\$ 310,658	\$ 310,557	\$ 101
Purchased Professional Services	10,450	(810)	9,640	5,858	3,782
Supplies and Materials	5,075		5,075	4,342	733
Miscellaneous Expenditures	3,680		3,680	1,305	2,375
Total Central Services	<u>329,053</u>		<u>329,053</u>	<u>322,062</u>	<u>6,991</u>
Administrative Information Technology:					
Salaries	103,484	199	103,683	103,683	
Purchased Professional Services	113,060		113,060	71,848	41,212
Supplies and Materials	43,183		43,183	41,894	1,289
Other Objects	10,000	(9,185)	815	815	
Total Administrative Information Technology	<u>269,727</u>	<u>(8,986)</u>	<u>260,741</u>	<u>217,425</u>	<u>43,316</u>
Required Maintenance of School Facilities:					
Salaries	360,194		360,194	321,969	38,225
Cleaning, Repair and Maintenance Services	119,009		119,009	74,620	44,389
General Supplies	89,782		89,782	30,552	59,230
Total Required Maintenance of School Facilities	<u>568,985</u>		<u>568,985</u>	<u>427,141</u>	<u>141,844</u>
Custodial Services:					
Salaries	428,954		428,954	407,639	21,315
Salaries of Non-Instructional Aides	60,275		60,275	49,072	11,203
Cleaning, Repair and Maintenance Services	221,050	(88,392)	132,658	87,614	45,044
Other Purchased Property Services	106,300		106,300	96,682	9,618
Insurance	155,958	15,684	171,642	171,642	
Miscellaneous Purchased Services	100,770		100,770	84,101	16,669
General Supplies	64,260	(32,851)	31,409	24,392	7,017
Energy (Electricity)	170,000	3,368	173,368	99,410	73,958
Energy (Natural Gas)	125,000		125,000	117,460	7,540
Other Objects	15,060	(5,124)	9,936	7,690	2,246
Total Custodial Services	<u>1,447,627</u>	<u>(107,315)</u>	<u>1,340,312</u>	<u>1,145,702</u>	<u>194,610</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Salaries	\$ 138,348		\$ 138,348	\$ 127,080	\$ 11,268
Other Purchased Professional and Technical Services	9,447		9,447	4,588	4,859
General Supplies	1,500		1,500	470	1,030
Other Objects	500		500		500
Total Security	<u>149,795</u>		<u>149,795</u>	<u>132,138</u>	<u>17,657</u>
Student Transportation Services:					
Salaries of Non-Instructional Aides	40,618	\$ 335,966	376,584	373,070	3,514
Salaries for Pupil Transportation (Between Home & School) - Regular	335,966	(335,966)			
Other Purchased Professional and Technical Services	6,500		6,500	4,256	2,244
Cleaning, Repair and Maintenance Services	40,000	763	40,763	25,842	14,921
Rental Payments - School Buses	10,000	(1,686)	8,314		8,314
Contracted Services:					
Between Home and School - Vendors	653,698		653,698	653,697	1
Other Between Home and School - Vendors	127,946	(725)	127,221	71,680	55,541
Between Home and School - Joint Agreements	54,264	1,647	55,911	55,911	
Special Education Students - Joint Agreements	255,000		255,000	82,192	172,808
Aid in Lieu Payments - Nonpublic School	43,569		43,569	18,809	24,760
Miscellaneous Purchased Services - Transportation		26	26	25	1
Transportation Supplies	85,000		85,000	37,511	47,489
Other Objects	46,659	(25)	46,634	2,525	44,109
Total Student Transportation Services	<u>1,699,220</u>		<u>1,699,220</u>	<u>1,325,518</u>	<u>373,702</u>
Unallocated Benefits:					
Social Security Contributions	310,000		310,000	286,602	23,398
Other Retirement Contribution - PERS	346,908		346,908	333,415	13,493
Other Retirement Contributions - Regular		21,135	21,135	21,135	
Workmen's Compensation	209,585	(15,684)	193,901	175,088	18,813
Health Benefits	4,858,856	(122,897)	4,735,959	3,595,266	1,140,693
Tuition Reimbursement	59,952		59,952	48,558	11,394
Other Employee Benefits	96,142	(21,135)	75,007	54,105	20,902
Total Unallocated Benefits	<u>5,881,443</u>	<u>(138,581)</u>	<u>5,742,862</u>	<u>4,514,169</u>	<u>1,228,693</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
On-Behalf and Reimbursed Benefits:					
On-Behalf TPAF Pension Contributions (non-budgeted)				\$ 2,792,198	\$ (2,792,198)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				53,125	(53,125)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				891,680	(891,680)
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				1,567	(1,567)
Reimbursed TPAF Social Security Contributions (non-budgeted)				674,373	(674,373)
Total On-Behalf and Reimbursed Benefits				4,412,943	(4,412,943)
Total Undistributed Expenses	\$ 14,346,290	\$ (254,882)	\$ 14,091,408	16,063,858	(1,972,450)
TOTAL GENERAL CURRENT EXPENSE	23,980,509	(91,339)	23,889,170	25,030,125	(1,140,955)
CAPITAL OUTLAY:					
Equipment:					
Grades 6 to 8 Equipment		11,813	11,813		11,813
Grades 1-5	48,000	(11,813)	36,187	10,253	25,934
Administrative Information Technology	49,000	8,986	57,986	28,200	29,786
Required Maintenance for School Facilities	3,000		3,000	2,924	76
Total Equipment	100,000	8,986	108,986	41,377	67,609
Facilities Acquisition and Construction Services:					
Construction Services	1,196,041	589,000	1,785,041	564,552	1,220,489
Other Purchased Professional/Technical Services	159,408	(159,408)	159,408	33,034	126,374
Architectural/Engineering Services	2,546		2,546	1,273	1,273
Assessment for Debt Service on SDA Funding					
Total Facilities Acquisition and Construction Services	1,357,995	589,000	1,946,995	598,859	1,348,136
TOTAL CAPITAL OUTLAY	1,457,995	597,986	2,055,981	640,236	1,415,745
Transfer of Funds to Charter Schools	851,287	(40,647)	810,640	801,400	9,240
TOTAL EXPENDITURES	26,289,791	466,000	26,755,791	26,471,761	284,030
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,485,179)	(466,000)	(2,951,179)	1,989,740	4,940,919

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Fund Balance, July 1 (as Restated)	\$ 7,001,980		\$ 7,001,980	\$ 7,001,980	
Fund Balance, June 30	\$ 4,516,801	\$ (466,000)	\$ 4,050,801	\$ 8,991,720	\$ 4,940,919
<u>Recapitulation:</u>					
<u>Restricted:</u>					
Excess Surplus - Restricted for 2022-2023				\$ 2,070,635	
Excess Surplus - Restricted for 2021-2022				2,366,827	
Capital Reserve				1,169,757	
Maintenance Reserve				250,000	
Unemployment Compensation				500,292	
<u>Assigned:</u>					
Year-End Encumbrances				1,437,673	
Unassigned				1,196,536	
				8,991,720	
Reconciliation to Governmental Funds Statements (GAAP):				(635,308)	
Last Two State Aid Payments not Recognized on GAAP Basis				\$ 8,356,412	
Fund Balance per Governmental Funds (GAAP)				\$ 8,356,412	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 6,370	\$ 6,370	\$ 6,370	
State Sources	\$ 103,009	353,300	456,309	45,134	\$ (411,175)
Federal Sources	550,412	1,051,451	1,601,863	785,832	(816,031)
Total Revenues	653,421	1,411,121	2,064,542	837,336	(1,227,206)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	84,000		84,000	84,000	
Other Salaries for Instruction	62,766	259,829	322,595	20,681	301,914
Purchased Professional - Educational Services	89,520	47,221	136,741	85,947	50,794
Tuition	145,815	58,649	204,464	94,554	109,910
General Supplies	20,841	297,635	318,476	193,029	125,447
Textbooks	3,690	(208)	3,482	2,986	496
Total Instruction	406,632	663,126	1,069,758	481,197	588,561
Support Services:					
Salaries of Other Professional Staff	61,835	181,278	243,113	73,237	169,876
Personal Services - Employee Benefits	29,400	6,628	36,028	36,027	1
Purchased Professional/Educational Services		120,555	120,555	12,461	108,094
Purchased Professional and Technical Services	155,554	72,097	227,651	111,419	116,232
Supplies and Materials		144,022	144,022	72,387	71,635
Other Objects		2,612	2,612	2,601	11
Student Activities		9,205	9,205	9,205	
Total Support Services	246,789	536,397	783,186	317,337	465,849
Facilities Acquisition and Construction Services:					
Construction Services		157,500	157,500		157,500
Non-Instructional Equipment		56,933	56,933	41,637	15,296
Total Facilities Acquisition and Construction Services		214,433	214,433	41,637	172,796
Total Expenditures	653,421	1,413,956	2,067,377	840,171	1,227,206
Excess/(Deficit) of Revenue					
Over/(Under) Expenditures	\$ -0-	\$ (2,835)	\$ (2,835)	\$ (2,835)	\$ -0-

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 28,461,501	\$ 837,336
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		4,171
Current Year Encumbrances		(11,277)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	701,277	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(635,308)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 28,527,470	\$ 830,230
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 26,471,761	\$ 840,171
Differences - Budgetary to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		4,171
Current Year Encumbrances		(11,277)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 26,471,761	\$ 833,065

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2021, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary 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).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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, except for student activities. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Elementary and Secondary Education						
	Title I	Carryover Title I	Title I - SIA	Title II	Title IV	Carryover Title IV	Student Activities
REVENUE:							
Local Sources							\$ 6,370
State Sources	\$ 145,284	\$ 3,864	\$ 6,158	\$ 17,847	\$ 4,073	\$ 4,499	
Federal Sources							
Total Revenue	145,284	3,864	6,158	17,847	4,073	4,499	6,370
EXPENDITURES:							
Instruction:							
Salaries of Teachers	84,000						
Other Salaries for Instruction					3,534		
Purchased Professional/Educational Services							
Tuition						4,499	
General Supplies			6,158				
Textbooks							
Total Instruction	84,000		6,158		3,534	4,499	
Support Services:							
Salaries of Other Professional Staff	22,656	3,864		16,141			
Personal Services - Employee Benefits	36,027						
Purchased Professional/Educational Services					539		
Purchased Professional and Technical Services				1,706			
Supplies and Materials							
Other Objects	2,601						9,205
Student Activities							
Total Support Services	61,284	3,864		17,847	539		9,205
Facilities Acquisition:							
Non-Instructional Equipment							
Total Facilities Acquisition							
Total Expenditures	\$ 145,284	\$ 3,864	\$ 6,158	\$ 17,847	\$ 4,073	\$ 4,499	\$ 9,205

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	IDEA Part B		Nonpublic Security Aid	Chapter 192		Chapter 193	
	Carryover Basic	Preschool		Auxiliary Aid Compensatory Education	Examination and Classification	Nonpublic Handicapped Aid Supplementary Instruction	Corrective Speech
REVENUE:							
Local Sources							
State Sources	\$ 238,145	\$ 20,130	\$ 11,132	\$ 4,998	\$ 10,215	\$ 3,805	\$ 5,468
Federal Sources							
Total Revenue	238,145	20,130	11,132	4,998	10,215	3,805	5,468
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction				4,998	10,215		5,468
Purchased Professional/Educational Services	44,739						
Tuition	94,554						
General Supplies	3,357		11,132				
Textbooks							
Total Instruction	142,650		11,132	4,998	10,215		5,468
Support Services:							
Salaries of Other Professional Staff		20,130					
Personal Services - Employee Benefits						3,805	
Purchased Professional/Educational Services							
Purchased Professional and Technical Services	95,495						
Supplies and Materials							
Other Objects							
Student Activities							
Total Support Services	95,495	20,130				3,805	
Facilities Acquisition:							
Non-Instructional Equipment							
Total Facilities Acquisition							
Total Expenditures	\$ 238,145	\$ 20,130	\$ 11,132	\$ 4,998	\$ 10,215	\$ 3,805	\$ 5,468

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	COVID-19 Digital Divide Discretionary Grant	COVID-19 Nonpublic Digital Divide	COVID-19 Coronavirus Relief Fund Grant	COVID-19 CRRSA ESSER II Grant	COVID-19 CARES Emergency Relief Grant	Nonpublic Textbook Aid	Nonpublic Nursing Aid	Totals
REVENUE:								
Local Sources								
State Sources								
Federal Sources	\$ 35,769	\$ 2,293	\$ 63,198	\$ 63,691	\$ 136,014	\$ 2,986	\$ 6,530	\$ 6,370
Total Revenue	\$ 35,769	2,293	63,198	63,691	136,014	2,986	6,530	837,336
EXPENDITURES:								
Instruction:								
Salaries of Teachers								84,000
Other Salaries for Instruction								20,681
Purchased Professional/Educational Services								85,947
Tuition								94,554
General Supplies	28,620	2,293	60,766	61,226	7,785			193,029
Textbooks						2,986		2,986
Total Instruction	28,620	2,293	60,766	61,226	7,785	2,986		481,197
Support Services:								
Salaries of Other Professional Staff					10,446			73,237
Personal Services - Employee Benefits								36,027
Purchased Professional/Educational Services					8,656			12,461
Purchased Professional and Technical Services	7,149		2,432	2,465	67,490		6,530	111,419
Supplies and Materials								72,387
Other Objects								2,601
Student Activities								9,205
Total Support Services	7,149		2,432	2,465	86,592		6,530	317,337
Facilities Acquisition:								
Non-Instructional Equipment					41,637			41,637
Total Facilities Acquisition					41,637			41,637
Total Expenditures	\$ 35,769	\$ 2,293	\$ 63,198	\$ 63,691	\$ 136,014	\$ 2,986	\$ 6,530	\$ 840,171

CAPITAL PROJECTS FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Fund Balance - Beginning	<u>\$ 27,637</u>
Fund Balance - Ending	<u><u>\$ 27,637</u></u>
 <u>Recapitulation:</u>	
Committed	<u>\$ 27,637</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 27,637</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
SOLAR PANEL PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Contribution from Private Source	\$ 70,680		\$ 70,680	\$ 70,680
Total Revenue and Other Financing Sources	<u>70,680</u>		<u>70,680</u>	<u>70,680</u>
Expenditures:				
Purchased Professional and Technical Services	43,043		43,043	70,680
Total Expenditures	<u>43,043</u>	<u>-0-</u>	<u>43,043</u>	<u>70,680</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 27,637</u>	<u>\$ -0-</u>	<u>\$ 27,637</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number(s)	N/A			
Grant Date(s)	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 20,000			
Additional Funds	\$ 50,680			
Revised Authorized Cost	<u>\$ 70,680</u>			
Change Order Percentage	253.40%			
Percentage Completion	60.90%			
Original Target Completion Date	06/30/13			
Revised Target Completion Date	06/30/22			

PROPRIETARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major</u> <u>Fund</u>	
	Food Service	Care Program	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 96,013	\$ 127,840	\$ 223,853
Intergovernmental Accounts Receivable:			
State	1,592		1,592
Federal	30,390		30,390
Other Accounts Receivable	4,276		4,276
Inventories	22,931		22,931
Total Current Assets	<u>155,202</u>	<u>127,840</u>	<u>283,042</u>
Non-Current Assets:			
Capital Assets	278,776		278,776
Accumulated depreciation	<u>(215,238)</u>		<u>(215,238)</u>
Total Non-Current Assets	<u>63,538</u>		<u>63,538</u>
Total Assets	<u>218,740</u>	<u>127,840</u>	<u>346,580</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable - Vendors	20,814		20,814
Interfund Payable	57,154		57,154
Unearned Revenue - Donated Commodities	12,731		12,731
Unearned Revenue - Prepaid Sales/Fees	<u>6,365</u>	<u>21,298</u>	<u>27,663</u>
Total Current Liabilities	<u>97,064</u>	<u>21,298</u>	<u>118,362</u>
NET POSITION:			
Investment in Capital Assets	63,538		63,538
Unrestricted	<u>58,138</u>	<u>106,542</u>	<u>164,680</u>
Total Net Position	<u>\$ 121,676</u>	<u>\$ 106,542</u>	<u>\$ 228,218</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major</u> <u>Fund</u>	
	<u>Food</u>		<u>Total</u>
	<u>Service</u>	<u>Care Program</u>	
Operating Revenue:			
Local Sources:			
Child Care Fees		\$ 25,388	\$ 25,388
Total Operating Revenue		25,388	25,388
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	\$ 128,937		128,937
Salaries	75,509	39,487	114,996
Employee Benefits and Payroll Taxes	20,322		20,322
Purchased Services	14,264	440	14,704
Supplies and Materials	14,848	260	15,108
Depreciation	13,715		13,715
Other	4,287	263	4,550
Total Operating Expenses	271,882	40,450	312,332
Operating Loss	(271,882)	(15,062)	(286,944)
Non-Operating Revenue:			
State Sources:			
COVID-19 - Seamless Summer Option	8,950		8,950
Federal Sources:			
COVID-19 - Seamless Summer Option	231,266		231,266
Food Distribution Program	19,956		19,956
Local Sources:			
Interest Revenue	265		265
Total Non-Operating Revenue	260,437		260,437
Change in Net Position	(11,445)	(15,062)	(26,507)
Net Position - Beginning of Year	133,121	121,604	254,725
Net Position - End of Year	\$ 121,676	\$ 106,542	\$ 228,218

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	Food Service	Care Program	Total
Cash Flows for Operating Activities:			
Receipts from Customers	\$ (199)	\$ 47,585	\$ 47,386
Payments for Salaries, Payroll Taxes and Benefits	(95,831)	(39,487)	(135,318)
Payments to Suppliers	(125,969)	(963)	(126,932)
Net Cash Provided by/(Used for) Operating Activities	<u>(221,999)</u>	<u>7,135</u>	<u>(214,864)</u>
Cash Flows from Noncapital Financing Activities:			
Partial Settlement of Prior Year Interfund	8,396		8,396
Federal and State Sources Received in Food Service Fund	175,596		175,596
Net Cash Provided by Noncapital Financing Activities	<u>183,992</u>		<u>183,992</u>
Cash Flows from Investing Activities:			
Interest on Investments	265		265
Net Cash Provided by Investing Activities	<u>265</u>		<u>265</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(37,742)	7,135	(30,607)
Cash and Cash Equivalents, July 1	133,755	120,705	254,460
Cash and Cash Equivalents, June 30	<u>\$ 96,013</u>	<u>\$ 127,840</u>	<u>\$ 223,853</u>
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities			
Operating Loss	\$ (271,882)	\$ (15,062)	\$ (286,944)
Adjustment to Reconcile Operating Loss to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	13,715		13,715
Food Distribution Program	19,956		19,956
Changes in Assets and Liabilities:			
(Increase) in Inventory	(2,342)		(2,342)
Decrease in Other Accounts Receivable	2,815	1,299	4,114
Increase in Accounts Payable	10,620		10,620
Increase in Unearned Revenue - Donated Commodities	5,318		5,318
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	(199)	20,898	20,699
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (221,999)</u>	<u>\$ 7,135</u>	<u>\$ (214,864)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$25,274 and utilized commodities valued at \$19,956 for the fiscal year ended June 30, 2021.

The General Fund purchased \$4,404 of capital assets on behalf of the Food Service Fund which is included in the interfund payable due to the General Fund at June 30, 2021.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT
(NOT APPLICABLE)

STATISTICAL SECTION
(UNAUDITED)

This part of the District’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT,

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2012	2013	2014	2015	2016
Governmental Activities					
Net Investment in Capital Assets	\$ 4,171,393	\$ 4,541,835	\$ 4,426,455	\$ 4,669,704	\$ 5,360,753
Restricted	783,856	2,015,681	2,785,800	3,429,754	3,691,146
Unrestricted/(Deficit)	(222,561)	(471,386)	(6,932,568)	(6,651,551)	(7,024,574)
Total Governmental Activities Net Position	<u>\$ 4,732,688</u>	<u>\$ 6,086,130</u>	<u>\$ 279,687</u>	<u>\$ 1,447,907</u>	<u>\$ 2,027,325</u>
Business-type Activities					
Investment in Capital Assets	\$ 11,852	\$ 54,554	\$ 45,434	\$ 44,334	\$ 36,263
Unrestricted	294,664	267,452	291,349	320,376	350,610
Total Business-type Activities Net Position	<u>\$ 306,516</u>	<u>\$ 322,006</u>	<u>\$ 336,783</u>	<u>\$ 364,710</u>	<u>\$ 386,873</u>
District-wide					
Net Investment in Capital Assets	\$ 4,183,245	\$ 4,596,389	\$ 4,471,889	\$ 4,714,038	\$ 5,397,016
Restricted	783,856	2,015,681	2,785,800	3,429,754	3,691,146
Unrestricted/(Deficit)	72,103	(203,934)	(6,641,219)	(6,331,175)	(6,673,964)
Total District Net Position	<u>\$ 5,039,204</u>	<u>\$ 6,408,136</u>	<u>\$ 616,470</u>	<u>\$ 1,812,617</u>	<u>\$ 2,414,198</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT,

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,			
	2017	2018	2019	(Restated) 2020
Governmental Activities				
Net Investment in Capital Assets	\$ 5,881,645	\$ 5,981,976	\$ 6,247,652	\$ 6,709,860
Restricted	4,111,516	4,670,087	3,832,735	5,400,538
Unrestricted/(Deficit)	(7,596,477)	(7,581,360)	(7,200,125)	(6,851,016)
Total Governmental Activities Net Position	<u>\$ 2,396,684</u>	<u>\$ 3,070,703</u>	<u>\$ 2,880,262</u>	<u>\$ 5,259,382</u>
Business-type Activities				
Investment in Capital Assets	\$ 33,354	\$ 26,975	\$ 51,665	\$ 72,849
Unrestricted	336,727	314,392	248,931	181,876
Total Business-type Activities Net Position	<u>\$ 370,081</u>	<u>\$ 341,367</u>	<u>\$ 300,596</u>	<u>\$ 254,725</u>
District-wide				
Net Investment in Capital Assets	\$ 5,914,999	\$ 6,008,951	\$ 6,299,317	\$ 6,782,709
Restricted	4,111,516	4,670,087	3,832,735	5,400,538
Unrestricted/(Deficit)	(7,259,750)	(7,266,968)	(6,951,194)	(6,669,140)
Total District Net Position	<u>\$ 2,766,765</u>	<u>\$ 3,412,070</u>	<u>\$ 3,180,858</u>	<u>\$ 5,514,107</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities					
Instruction:					
Regular	\$ 8,149,112	\$ 8,550,999	\$ 8,339,942	\$ 9,386,010	\$ 10,110,172
Special Education	5,727,953	5,649,850	5,396,907	6,147,885	6,305,932
Other Special Instruction	464,341	374,589	397,758	240,738	359,275
School Sponsored/Other Instruction	105,493	87,833	114,219	204,447	213,454
Support Services:					
Tuition	257,397	379,599	408,959	543,788	730,477
Student & Instruction Related Services	3,068,148	3,060,216	3,126,936	3,513,977	4,049,811
General Administrative Services	524,771	514,184	509,594	550,495	583,752
School Administrative Services	1,022,110	1,024,393	1,044,383	1,090,413	1,119,758
Central Services	305,373	290,377	292,390	434,597	470,012
Administrative Information Technology	283,268	281,431	339,086	303,185	314,352
Plant Operations and Maintenance	1,859,114	1,681,990	1,767,311	1,923,511	2,153,881
Pupil Transportation	1,966,495	1,932,957	1,962,766	1,923,286	1,906,495
Transfer of Funds to Charter School	445,150	649,150	768,831	778,092	718,282
Unallocated Depreciation	214,594	235,956	258,381	283,294	331,462
Capital Outlay					
Total Governmental Activities Expenses	<u>24,393,319</u>	<u>24,713,524</u>	<u>24,727,463</u>	<u>27,323,718</u>	<u>29,367,115</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Business-type Activities:					
Food Service	\$ 399,442	\$ 394,381	\$ 375,682	\$ 346,436	\$ 348,186
Care Program	164,276	131,740	115,623	122,567	125,903
Total Business-type Activities Expense	<u>563,718</u>	<u>526,121</u>	<u>491,305</u>	<u>469,003</u>	<u>474,089</u>
Total District Expenses	<u>\$ 24,957,037</u>	<u>\$ 25,239,645</u>	<u>\$ 25,218,768</u>	<u>\$ 27,792,721</u>	<u>\$ 29,841,204</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)	\$ 153,395	\$ 144,656	\$ 61,977		\$ 43,179
Student and Instruction Related Services					
Transportation Fees	48,557		53,268		86,841
Operating Grants and Contributions	4,461,440	4,656,823	4,248,970	\$ 6,856,688	7,877,610
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	<u>4,663,392</u>	<u>4,801,479</u>	<u>4,364,215</u>	<u>6,856,688</u>	<u>8,007,630</u>
Business-type Activities:					
Charges for Services:					
Food Service	236,336	212,540	203,972	175,445	173,167
Care Program	164,718	140,229	115,293	138,521	160,837
Operating Grants and Contributions	184,620	188,638	186,616	182,707	161,976
Total Business-type Activities Program Revenues	<u>585,674</u>	<u>541,407</u>	<u>505,881</u>	<u>496,673</u>	<u>495,980</u>
Total District Program Revenues	<u>\$ 5,249,066</u>	<u>\$ 5,342,886</u>	<u>\$ 4,870,096</u>	<u>\$ 7,353,361</u>	<u>\$ 8,503,610</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (19,729,927)	\$ (19,912,045)	\$ (20,363,248)	\$ (20,467,030)	\$ (21,359,485)
Business-Type Activities	21,956	15,286	14,576	27,670	21,891
Total District-Wide Net Expense	<u>\$ (19,707,971)</u>	<u>\$ (19,896,759)</u>	<u>\$ (20,348,672)</u>	<u>\$ (20,439,360)</u>	<u>\$ (21,337,594)</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 14,716,267	\$ 15,010,592	\$ 15,010,592	\$ 15,310,804	\$ 15,617,020
Unrestricted Grants and Contributions	6,182,065	5,986,019	6,194,580	6,259,289	6,266,361
Miscellaneous Income	81,287	67,421	175,939	65,157	55,522
Other Item:					
Cancellation of Prior Year Accounts Payable		201,455			
Total Governmental Activities	<u>20,979,619</u>	<u>21,265,487</u>	<u>21,381,111</u>	<u>21,635,250</u>	<u>21,938,903</u>
Business-type Activities:					
Interest Income	219	204	201	257	272
Total Business-Type Activities	<u>219</u>	<u>204</u>	<u>201</u>	<u>257</u>	<u>272</u>
Total District-Wide	<u>\$ 20,979,838</u>	<u>\$ 21,265,691</u>	<u>\$ 21,381,312</u>	<u>\$ 21,635,507</u>	<u>\$ 21,939,175</u>
Change in Net Position					
Governmental Activities	\$ 1,249,692	\$ 1,353,442	\$ 1,017,863	\$ 1,168,220	\$ 579,418
Business-type Activities	22,175	15,490	14,777	27,927	22,163
Total District	<u>\$ 1,271,867</u>	<u>\$ 1,368,932</u>	<u>\$ 1,032,640</u>	<u>\$ 1,196,147</u>	<u>\$ 601,581</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Expenses					
Governmental activities					
Instruction:					
Regular	\$ 10,899,507	\$ 11,078,743	\$ 10,255,051	\$ 8,805,516	\$ 9,433,284
Special Education	6,799,286	6,754,881	6,504,414	6,246,371	5,918,125
Other Special Instruction	459,473	655,672	644,500	591,227	618,096
School Sponsored/Other Instruction	225,918	350,737	292,546	248,506	235,897
Support Services:					
Tuition	703,092	419,181	510,811	447,102	350,516
Student & Instruction Related Services	4,517,681	5,003,519	4,608,302	3,915,729	3,859,678
General Administrative Services	594,740	663,506	651,284	618,748	596,714
School Administrative Services	1,267,044	1,354,059	1,170,361	920,969	955,640
Central Services	504,295	528,495	477,838	431,094	431,464
Administrative Information Technology	249,937	241,778	220,478	244,210	254,652
Plant Operations and Maintenance	2,202,076	2,338,916	2,323,621	2,011,461	2,039,292
Pupil Transportation	2,003,454	1,843,522	1,837,694	1,529,080	1,491,213
Transfer of Funds to Charter School	744,422	570,457	810,925	717,530	801,400
Unallocated Depreciation	368,667	406,714	411,506	481,399	526,170
Capital Outlay	1,273	48,174	105,405	17,335	1,273
Total Governmental Activities Expenses	<u>31,540,865</u>	<u>32,258,354</u>	<u>30,824,736</u>	<u>27,226,277</u>	<u>27,513,414</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Business-type Activities:					
Food Service	\$ 343,679	\$ 323,024	\$ 342,788	\$ 288,190	\$ 271,882
Care Program	170,717	174,585	167,852	114,166	40,450
Total Business-type Activities Expense	514,396	497,609	510,640	402,356	312,332
Total District Expenses	\$ 32,055,261	\$ 32,755,963	\$ 31,335,376	\$ 27,628,633	\$ 27,825,746
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)	\$ 128,426	\$ 77,523	\$ 46,647	\$ 51,489	\$ 6,370
Student and Instruction Related Services					66,607
Transportation Fees	84,396	76,485	78,654	77,036	8,045,324
Operating Grants and Contributions	9,780,109	11,274,867	9,161,556	7,358,349	41,637
Capital Grants and Contributions					
Total Governmental Activities Program Revenues	9,992,931	11,428,875	9,286,857	7,486,874	8,159,938
Business-type Activities:					
Charges for Services:					
Food Service	162,973	153,065	161,161	99,457	25,388
Care Program	153,207	142,356	135,053	104,673	260,172
Operating Grants and Contributions	181,142	173,179	173,333	150,898	285,560
Total Business-type Activities Program Revenues	497,322	468,600	469,547	355,028	8,445,498
Total District Program Revenues	\$ 10,490,253	\$ 11,897,475	\$ 9,756,404	\$ 7,841,902	\$ 8,445,498
Net (Expense)/Revenue	\$ (21,547,934)	\$ (20,829,479)	\$ (21,537,879)	\$ (19,739,403)	\$ (19,353,476)
Governmental Activities	(17,074)	(29,009)	(41,093)	(47,328)	(26,772)
Business-Type Activities	\$ (21,565,008)	\$ (20,858,488)	\$ (21,578,972)	\$ (19,786,731)	\$ (19,380,248)
Total District-Wide Net Expense					

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED
(Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 15,546,520	\$ 15,130,100	\$ 15,232,726	\$ 15,800,221	\$ 16,816,591
Unrestricted Grants and Contributions	6,296,006	6,164,414	5,971,294	5,528,615	4,898,614
Miscellaneous Income	74,767	208,984	66,418	167,660	40,179
Other Item:					
Cancellation of Prior Year Accounts Payable				3,169	
Total Governmental Activities	<u>21,917,293</u>	<u>21,503,498</u>	<u>21,347,438</u>	<u>21,499,665</u>	<u>21,755,384</u>
Business-type Activities:					
Interest Income	282	295	322	1,457	265
Total Business-Type Activities	<u>282</u>	<u>295</u>	<u>322</u>	<u>1,457</u>	<u>265</u>
Total District-Wide	<u>\$ 21,917,575</u>	<u>\$ 21,503,793</u>	<u>\$ 21,347,760</u>	<u>\$ 21,501,122</u>	<u>\$ 21,755,649</u>
Change in Net Position					
Governmental Activities	\$ 369,359	\$ 674,019	\$ (190,441)	\$ 1,760,262	\$ 2,401,908
Business-type Activities	(16,792)	(28,714)	(40,771)	(45,871)	(26,507)
Total District	<u>\$ 352,567</u>	<u>\$ 645,305</u>	<u>\$ (231,212)</u>	<u>\$ 1,714,391</u>	<u>\$ 2,375,401</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	June 30,				
	2012	2013	2014	2015	2016
General Fund					
Restricted	\$ 783,856	\$ 2,015,681	\$ 2,785,800	\$ 3,429,754	\$ 3,691,146
Assigned	341,972	130,498	156,826	441,568	235,562
Unassigned					
Total General Fund	\$ 1,125,828	\$ 2,146,179	\$ 2,942,626	\$ 3,871,322	\$ 3,926,708
All Other Governmental Funds					
Restricted					
Committed	\$ 20,000	\$ 20,000	\$ 27,637	\$ 27,637	\$ 27,637
Total All Other Governmental Funds	\$ 20,000	\$ 20,000	\$ 27,637	\$ 27,637	\$ 27,637
Total Governmental Funds	\$ 1,145,828	\$ 2,166,179	\$ 2,970,263	\$ 3,898,959	\$ 3,954,345

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,				
	2017	2018	2019	(Restated) 2020	2021
General Fund					
Restricted	\$ 4,111,516	\$ 4,670,087	\$ 3,832,735	\$ 5,260,645	\$ 6,357,511
Assigned	255,329	487,014	789,987	693,510	1,437,673
Unassigned			77,540	346,548	561,228
Total General Fund	<u>\$ 4,366,845</u>	<u>\$ 5,157,101</u>	<u>\$ 4,700,262</u>	<u>\$ 6,300,703</u>	<u>\$ 8,356,412</u>
All Other Governmental Funds					
Restricted				\$ 139,893	\$ 137,058
Committed	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>
Total All Other Governmental Funds	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 167,530</u>	<u>\$ 164,695</u>
Total Governmental Funds	<u>\$ 4,394,482</u>	<u>\$ 5,184,738</u>	<u>\$ 4,727,899</u>	<u>\$ 6,468,233</u>	<u>\$ 8,521,107</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Revenues					
Tax Levy	\$ 14,716,267	\$ 15,010,592	\$ 15,010,592	\$ 15,310,804	\$ 15,617,020
Tuition Charges	153,395	144,656	61,977		43,179
Transportation Fees	48,557		53,268		86,841
State Sources	9,559,972	9,783,139	9,714,372	10,074,504	10,452,114
Federal Sources	1,083,034	859,703	729,078	737,985	645,316
Miscellaneous	81,786	67,421	176,039	65,157	55,522
Total Revenue	25,643,011	25,865,511	25,745,326	26,188,450	26,899,992
Expenditures					
Instruction					
Regular Instruction	5,517,365	5,746,723	5,776,888	5,830,314	6,025,010
Special Education Instruction	3,925,211	3,918,103	3,786,346	3,894,236	3,651,112
Other Special Instruction	326,961	253,992	267,191	182,566	255,162
School-Sponsored/Other Instruction	48,405	53,855	80,265	93,912	84,772
Support Services:					
Tuition	257,397	379,599	408,959	543,788	730,477
Student & Other Instruction Related Services	2,156,755	2,184,682	2,259,235	2,342,721	2,595,077
General Administrative Services	464,349	448,139	442,132	466,473	471,737
School Administrative Services	684,091	697,032	720,727	689,019	674,856
Central Services	247,816	245,837	244,932	299,833	310,922
Administrative Information Technology	254,642	250,927	303,537	260,961	261,226
Plant Operations and Maintenance	1,570,524	1,444,891	1,522,384	1,552,161	1,694,577
Student Transportation	1,756,419	1,718,613	1,697,806	1,620,347	1,542,729

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)
(Continued)

	Fiscal Year Ending June 30,				
	2012	2013	2014	2015	2016
Expenditures					
Employee Benefits	\$ 6,513,736	\$ 6,275,342	\$ 6,060,598	\$ 6,021,058	\$ 6,644,444
Capital Outlay	376,829	779,730	601,411	684,273	1,184,223
Transfer of Funds to Charter School	445,150	649,150	768,831	778,092	718,282
Total Expenditures	<u>24,545,650</u>	<u>25,046,615</u>	<u>24,941,242</u>	<u>25,259,754</u>	<u>26,844,606</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	1,097,361	818,896	804,084	928,696	55,386
Other Financing Sources/(Uses)					
Cancellation of Prior Year Accounts Payable		201,455			
Total Other Financing Sources/(Uses)		<u>201,455</u>			
Net Change in Fund Balances	<u>\$ 1,097,361</u>	<u>\$ 1,020,351</u>	<u>\$ 804,084</u>	<u>\$ 928,696</u>	<u>\$ 55,386</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

(Continued)

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Expenditures					
Employee Benefits	\$ 6,911,193	\$ 7,662,161	\$ 8,242,289	\$ 8,140,627	\$ 8,927,112
Capital Outlay	1,025,203	651,156	843,381	1,067,930	681,873
Transfer of Funds to Charter School	744,422	570,457	810,925	717,530	801,400
Total Expenditures	<u>26,815,062</u>	<u>26,469,669</u>	<u>28,278,779</u>	<u>26,921,729</u>	<u>27,304,826</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	440,137	790,256	(533,839)	1,118,307	2,052,874
Other Financing Sources/(Uses)					
Cancellation of Prior Year Interfund/Accounts Payable			77,000	3,169	
Total Other Financing Sources/(Uses)			<u>77,000</u>	<u>3,169</u>	
Net Change in Fund Balances	<u>\$ 440,137</u>	<u>\$ 790,256</u>	<u>\$ (456,839)</u>	<u>\$ 1,121,476</u>	<u>\$ 2,052,874</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transportation</u> <u>Revenue</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 4,739	\$ 153,395	\$ 48,557		\$ 56,548	\$ 263,239
2013	7,232	144,656			60,189	212,077
2014	7,777	61,977	53,268		117,482	240,504
2015	4,426				60,731	65,157
2016	9,372	43,179	86,841		46,150	185,542
2017	10,339	128,426	84,396		64,428	287,589
2018	11,865	77,523	76,485	\$ 60,053	137,066 *	362,992
2019	11,170	46,647	78,654	17,480	37,768	191,719
2020	59,525	51,489	77,036	40,386	67,749	296,185
2021	21,327		66,607	11,572	7,280	106,786

* Includes cancellation of prior year accounts payable of \$44,273.

Source: School District records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
<u>Borough of Sussex</u>												
2011	\$ 960,900	\$ 53,446,500	\$ 373,900	\$ 20,400	\$ 16,533,600	\$ 474,100	\$ 6,896,000	\$ 78,705,400	\$ 717,621	\$ 79,423,021	\$ 2.71	\$ 142,202,611
2012	963,700	53,339,500	373,900	20,400	16,533,600	474,100	6,896,000	78,601,200	505,353	79,106,553	2.73	144,178,764
2013	* 1,732,400	81,631,500	640,100	21,500	25,708,300	721,600	16,707,400	127,162,800	662,927	127,825,727	1.75	132,158,837
2014	1,804,600	80,772,200	640,100	21,500	25,254,600	787,300	16,234,700	125,515,000	835,798	126,350,798	1.74	123,628,837
2015	1,838,400	80,688,700	640,100	21,500	24,735,400	787,300	16,190,200	124,901,600	1,107,571	126,009,171	1.76	125,959,230
2016	1,791,200	80,820,200	640,100	21,500	24,657,400	787,300	14,503,400	123,221,100	-0-	123,221,100	1.87	127,045,159
2017	1,791,200	80,740,000	640,100	21,500	26,734,600	787,300	14,484,100	125,198,800	-0-	125,198,800	1.84	130,280,646
2018	2,570,700	80,386,800	640,100	20,700	25,456,500	787,300	14,484,100	124,346,200	-0-	124,346,200	1.86	126,728,700
2019	2,250,900	80,462,800	640,100	22,100	25,350,100	787,300	14,484,100	123,997,400	-0-	123,997,400	1.83	127,638,746
2020	2,205,300	80,528,200	640,100	22,100	25,204,300	787,300	14,484,100	123,871,400	-0-	123,871,400	1.84	131,565,909
<u>Township of Wantage</u>												
2011	\$ 51,572,340	\$ 1,118,998,800	\$ 151,709,500	\$ 7,728,476	\$ 114,954,935	\$ 961,300	\$ 5,822,300	\$ 1,451,747,651	\$ 3,405,033	\$ 1,455,152,684	\$ 1.40	\$ 1,375,590,329
2012	45,769,389	1,065,045,000	152,009,100	7,633,487	114,722,735	961,300	5,822,300	1,391,963,311	3,619,926	1,395,583,237	1.48	1,276,603,496
2013	42,071,360	1,057,651,000	150,677,900	7,677,793	114,525,205	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	1.49	1,212,594,551
2014	* 30,572,600	899,760,106	133,737,300	7,501,900	116,927,091	1,541,400	11,621,250	1,201,661,647	3,383,457	1,205,045,104	1.72	1,195,626,385
2015	30,651,700	899,500,006	133,712,100	7,500,200	116,927,091	1,541,400	11,621,250	1,200,453,747	3,805,642	1,205,259,389	1.77	1,188,264,413
2016	29,938,700	898,143,806	134,981,300	7,172,500	116,639,030	1,541,400	11,621,200	1,200,037,936	-0-	1,200,037,936	1.83	1,167,238,533
2017	29,631,300	899,354,006	134,672,100	7,014,152	114,342,284	1,541,400	11,621,200	1,198,176,442	-0-	1,198,176,442	1.76	1,169,093,206
2018	31,423,050	898,028,906	134,724,100	6,944,872	112,741,984	1,541,400	13,521,200	1,198,925,512	-0-	1,198,925,512	1.73	1,273,420,618
2019	32,050,650	897,450,506	134,527,100	6,968,972	112,958,834	1,541,400	15,896,200	1,201,393,662	-0-	1,201,393,662	1.76	1,279,831,695
2020	33,246,950	899,020,606	134,458,700	6,768,600	113,279,234	1,541,400	21,121,200	1,209,436,690	-0-	1,209,436,690	1.85	1,265,208,954

* Revaluation was effective in this year.

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 of Assessed Valuation

Source: Municipal Tax Assessor

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct Tax Rate	Municipality	Sussex County	
<u>Borough of Sussex</u>						
2011	\$ 2.707	\$ -0-	\$ 2.707	\$ 0.982	\$ 0.774	\$ 4.463
2012	2.731	-0-	2.731	1.006	0.848	4.585
2013	* 1.752	-0-	1.752	0.668	0.509	2.929
2014	1.743	-0-	1.743	0.673	0.499	2.915
2015	1.755	-0-	1.755	0.729	0.509	2.993
2016	1.865	-0-	1.865	0.752	0.558	3.175
2017	1.836	-0-	1.836	0.758	0.596	3.190
2018	1.857	-0-	1.857	0.782	0.626	3.265
2019	1.827	-0-	1.827	0.797	0.597	3.221
2020	1.836	-0-	1.836	0.801	0.621	3.258
<u>Township of Wantage</u>						
2011	\$ 1.398	\$ -0-	\$ 1.398	\$ 0.246	\$ 0.408	\$ 2.052
2012	1.475	-0-	1.475	0.240	0.422	2.137
2013	1.492	-0-	1.492	0.245	0.431	2.168
2014	* 1.721	-0-	1.721	0.280	0.519	2.520
2015	1.774	-0-	1.774	0.300	0.513	2.587
2016	1.827	-0-	1.827	0.300	0.546	2.673
2017	1.764	-0-	1.764	0.294	0.557	2.615
2018	1.730	-0-	1.730	0.299	0.575	2.604
2019	1.762	-0-	1.762	0.308	0.617	2.687
2020	1.847	-0-	1.847	0.308	0.612	2.767

* Revaluation was effective in this year.

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 calculation.

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.

Source: Municipal Tax Collector and School Business Administrator

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
<u>Borough of Sussex</u>						
Alpine Village Apt LLC	\$ 7,506,000	1	6.07%			
Jimkev Realty, LLC/JTS, Inc.	3,700,000	2	2.99%			
MPT of Morris, LLC	2,100,000	3	1.70%			
Franklin Sussex Realty, LLC	1,929,500	4	1.56%			
Individual Taxpayer #1	1,702,800	5	1.37%			
Sussex Plaza Realty LLC	1,170,600	6	0.95%			
Great Gorge Holdings, LLC	1,046,800	7	0.85%			
RBND, LLC	985,600	8	0.80%			
Munson Street Dev., LLC	894,200	9	0.72%			
Individual Taxpayer #2	883,700	10	0.71%			
Total	\$ 21,919,200		17.71%			
<u>Township of Wantage</u>						
Wantage 2002 LLC	\$ 12,041,500	1	1.01%			
Main Land Sussex Co	9,697,300	2	0.80%			
Tenneco, Inc	9,044,500	3	0.75%			
Regency Apartments, LLC	5,539,000	4	0.46%			
Space Farms, Inc.	4,676,600	5	0.39%			
PS, LLC	3,400,900	6	0.28%			
Ames Rubber Corp.	3,393,100	7	0.28%			
Sussex Rural Electric Corp	3,132,700	8	0.26%			
United Telephone Co. of NJ	3,113,073	9	0.26%			
Rolling Wantage, Inc.	3,026,400	10	0.25%			
Total	\$ 57,065,073		4.73%			

NOT AVAILABLE

NOT AVAILABLE

Source: Municipal Tax Assessors

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2012	\$ 14,716,267	\$ 14,716,267	100.00%	\$ -0-
2013	15,010,592	15,010,592	100.00%	-0-
2014	15,010,592	14,887,800	99.18%	122,792
2015	15,310,804	15,310,804	100.00%	-0-
2016	15,617,020	15,617,020	100.00%	-0-
2017	15,546,520	15,546,520	100.00%	-0-
2018	15,130,100	15,130,100	100.00%	-0-
2019	15,232,726	15,232,726	100.00%	-0-
2020	15,800,221	15,800,221	100.00%	-0-
2021	16,816,591	16,816,591	100.00%	-0-

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities					Total District	Percentage of Personal Income ^a	Debt Per Capita ^a
	Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Business-Type Activities Capital Leases			
2012	\$ -0-	\$ -0-	\$ 103,462	\$ -0-	\$ -0-	\$ 103,462	0.0157%	\$ 7.70
2013	-0-	-0-	37,499	-0-	-0-	37,499	0.0055%	2.81
2014	-0-	-0-	2,957	-0-	-0-	2,957	0.0004%	0.22
2015	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2016	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2017	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2018	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2019	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2020	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-
2021	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-

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

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

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation ^a Taxable	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ -0-	\$ -0-	\$ -0-	0.00%	\$ -0-
2013	-0-	-0-	-0-	0.00%	-0-
2014	-0-	-0-	-0-	0.00%	-0-
2015	-0-	-0-	-0-	0.00%	-0-
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-
2018	-0-	-0-	-0-	0.00%	-0-
2019	-0-	-0-	-0-	0.00%	-0-
2020	-0-	-0-	-0-	0.00%	-0-
2021	-0-	-0-	-0-	0.00%	-0-

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.
b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Borough of Sussex	\$ 617,500	100.00%	\$ 617,500
Township of Wantage	5,642,283	100.00%	5,642,283
Sussex County General Obligation Debt (Borough Share)	97,520,409	0.76%	743,438
Sussex County General Obligation Debt (Township Share)	97,520,409	7.44%	7,258,665
Subtotal, Overlapping Debt			14,261,886
Sussex-Wantage Regional School District Direct Debt			-0-
Total Direct and Overlapping Debt			<u>\$ 14,261,886</u>

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 Sussex Borough and Wantage Township. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

Equalized Valuation Basis:

	Legal Debt Margin Calculation for Fiscal Year 2021		
	Sussex Borough	Wantage Township	Total
2020	\$ 131,778,085	\$ 1,285,950,760	\$ 1,417,728,845
2019	130,496,106	1,252,887,331	1,383,383,437
2018	126,728,700	1,273,420,618	1,400,149,318
	<u>\$ 389,002,891</u>	<u>\$ 3,812,258,709</u>	<u>\$ 4,201,261,600</u>

Average Equalized Valuation of Taxable Property	<u>\$ 1,400,420,533</u>
Debt Limit (3% of average equalization value ^a)	\$ 42,012,616
Net Bonded Debt as of June 30, 2021	-0-
Legal Debt Margin	<u>\$ 42,012,616</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 45,861,790	\$ 43,251,290	\$ 41,108,009	\$ 39,604,062	\$ 39,206,389
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 45,861,790</u>	<u>\$ 43,251,290</u>	<u>\$ 41,108,009</u>	<u>\$ 39,604,062</u>	<u>\$ 39,206,389</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 39,183,210	\$ 39,162,619	\$ 40,186,408	\$ 41,077,406	\$ 42,012,616
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 39,183,210</u>	<u>\$ 39,162,619</u>	<u>\$ 40,186,408</u>	<u>\$ 41,077,406</u>	<u>\$ 42,012,616</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable other districts.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Wantage Township

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	\$ 11,234	\$ 571,181,496	\$ 50,844	11.80%
2013	11,166	574,557,696	51,456	7.70%
2014	11,148	599,963,064	53,818	7.90%
2015	11,022	613,671,894	55,677	5.10%
2016	10,944	622,866,816	56,914	4.70%
2017	10,895	639,721,715	58,717	4.30%
2018	10,853	670,248,721	61,757	3.90%
2019	10,902	695,373,168	63,784	3.50%
2020	10,899	695,181,816	63,784 *	8.80%
2021	10,899 **	695,181,816 ***	63,784 *	N/A

Sussex Borough

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2012	\$ 2,097	\$ 106,619,868	\$ 50,844	10.10%
2013	2,076	106,822,656	51,456	8.80%
2014	2,055	110,595,990	53,818	6.70%
2015	2,031	113,079,987	55,677	6.90%
2016	2,017	114,795,538	56,914	5.70%
2017	2,005	117,727,585	58,717	5.80%
2018	1,995	123,205,215	61,757	5.30%
2019	1,985	126,611,240	63,784	4.90%
2020	1,979	126,228,536	63,784 *	10.20%
2021	1,979 **	126,228,536 ***	63,784 *	N/A

* - Latest Sussex County per capita personal income available (2019) was used for calculation purposes.

** - Latest population data available (2020) was used for calculation purposes.

*** - Latest Sussex County personal income available (2019) and latest population data available (2020) was used for calculation purposes.

N/A - Information Not Available

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita

^c Per capita personal income for Sussex County is estimated based upon the 2000 Census published

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2020	
	Employees	Percentage of Total Employment
Selective Insurance Group Inc.	1,000-4,999	1.43%-7.17%
Crystal Springs Resort	1,000-4,999	0.72%-1.43%
Newton Medical Center	500-999	0.72%-1.43%
Sussex County Offices	500-999	0.36%-0.72%
Thorlabs	500-999	0.14%-0.36%
Mountain Creek Resort	500-999	0.14%-0.36%
Shop Rite	250-499	0.14%-0.36%
Sussex County Community College	250-499	0.14%-0.36%
United Methodist Community Bristol Glen	250-499	0.14%-0.36%
Andover Subacute & Rehab Center	100-249	0.14%-0.36%
	<u>2,850-8,990</u>	<u>6.96%-22.59%</u>
	<u>71,425</u>	
	2011	
Employer	Employees	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	2.61%
Newton Memorial Hospital	1,200	1.56%
Selective Insurance	900	1.17%
County of Sussex	830	1.08%
Mountain Creek Resort	800	1.04%
Ames Rubber Corp.	445	0.58%
Shop Rite (Ronetco)	301	0.39%
Andover Subacute & Rehab Center	300	0.39%
Sussex County Community College	300	0.39%
SCARC, Inc.	287	0.37%
	<u>7,363</u>	<u>9.59%</u>
Total Employment	<u>76,713</u>	

Source: Sussex County Chamber of Commerce

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 UNAUDITED

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction	77.7	76.0	73.4	75.1	77.0	75.5	76.5	74.9	70.9	69.4
Regular	39.5	37.5	35.5	35.5	34.0	37.0	33.0	30.5	31.5	30.0
Special Education	46.9	46.5	45.3	40.3	48.5	47.5	44.1	50.4	46.6	46.4
Support Services:										
Student & Instruction Related Services	29.9	29.0	28.6	27.4	27.0	26.0	31.0	30.0	30.0	27.5
General and Business Administrative Services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.4	6.5	6.5
School Administrative Services	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Other Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Administrative Information Technology	2.0	2.0	2.0	3.5	4.0	4.0	4.0	3.5	3.3	3.3
Transportation	15.8	15.8	15.8	15.5	15.5	15.5	15.5	15.5	13.5	11.3
Plant Operations and Maintenance	18.8	18.8	18.8	17.3	17.0	16.7	16.7	20.2	20.2	20.2
Total	247.4	242.6	236.4	231.6	240.0	239.2	237.8	242.4	231.5	223.6

Source: School District Personnel Records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	1,433	\$ 24,168,821	\$ 16,866	5.44%	137	11.1:1	11.0:1	1,382	1,315	-6.18%	95.15%
2013	1,360	24,266,885	17,843	5.80%	133	10.1:1	11.7:1	1,315	1,248	-4.85%	94.90%
2014	1,277	24,339,831	19,060	6.82%	135	9.2:1	9.8:1	1,227	1,169	-6.69%	95.27%
2015	1,199	24,575,481	20,497	7.54%	137	10.3:1	10.3:1	1,155	1,106	-5.87%	95.76%
2016	1,110	25,660,383	23,117	12.79%	138	9.6:1	9.6:1	1,072	1,021	-7.19%	95.24%
2017	1,096	25,789,859	23,531	1.79%	139	9.3:1	9.3:1	1,059	1,008	-1.21%	95.18%
2018	1,033	25,818,513	24,994	6.22%	137.5	7.5:1	7.5:1	1,020	966	-3.68%	94.71%
2019	1,037	27,435,398	26,457	5.85%	133.4	8.2:1	7.6:1	1,037	984	1.67%	94.89%
2020	1,041	25,853,799	24,836	-6.13%	130	8.5:1	7.0:1	1,038	998	0.10%	96.15%
2021	1,052	26,622,953	25,307	1.90%	128	8.5:1	7.2:1	1,021	975	-1.64%	95.49%

Note:

- a Operating expenditures equal total expenditures less debt service and capital outlay
- b Cost per pupil represents operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.
- c Teaching staff includes only full-time equivalents of certificated staff.
- d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
Elementary										
Clifton E. Lawrence Elementary School										
Square Feet	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	399	395	366	379	366	361	331	353	376	350
Wantage Elementary School										
Square Feet	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	485	413	408	359	357	345	341	356	338	326
Middle School										
Sussex Middle School										
Square Feet	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489
Capacity (students)	612	612	612	612	612	612	612	612	612	612
Enrollment	540	552	503	461	387	390	361	328	327	376
Other										
Environmental Trails Center										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Schools										
Elementary = 2										
Middle School = 1										
N/A - Not Applicable										

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

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

Fiscal Year Ended June 30,	Lawrence		Sussex		Wantage		Environmental Trail Center		Board Office		Total
	\$		\$		\$		\$		\$		
2012	139,784		170,175		117,172		804		6,402		434,337
2013	146,980		173,641		127,965		766		7,443		456,795
2014	137,091		154,466		122,818		968		5,813		421,156
2015	169,275		185,583		136,700		5,889		7,196		504,643
2016	158,199		186,966		161,727		10,101		9,150		526,143
2017	153,370		175,923		132,841		919		14,607		477,660
2018	165,921		146,218		116,178		855		7,706		436,878
2019	177,685		184,622		120,237		804		10,006		493,354
2020	130,688		149,240		121,081		821		5,133		406,963
2021	145,885		146,520		126,035		833		7,868		427,141

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2021
UNAUDITED

<u>SCHOOL ALLIANCE INSURANCE FUND:</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy	\$ 500,000,000	
Building and Personal Property		\$ 2,500
Auto Physical Damage		1,000
General Liability including Auto, Employee Benefits	5,000,000	
Each Occurrence		
General Aggregate	Agreed upon based on membership.	
Product Completed Operations		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Automobile Coverage	10,000,000	Occurrence
Combined Single Limit		1,000
Hired/Non Owned		
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate
Excludes mold/fungi/fungus/legionella		10,000
Crime Coverage	50,000	Inside/Outside
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500
Excess Liability (AL/GL)	5,000,000	
School Board Legal	5,000,000	5,000
Workers' Compensation	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
<u>SELECTIVE INSURANCE:</u>		
Business Administrator/Board Secretary	50,000	Selective Insurance
Treasurer of School Monies Bond Limit	250,000	Selective Insurance
<u>BOLLINGER</u>		
Student Accident Coverage	6,000,000	All students and athletes

Source: School District records.

SINGLE AUDIT SECTION



200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

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 Auditors' Report

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey

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

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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.

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
Page 2

Compliance and Other Matters

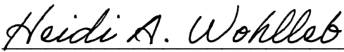
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 30, 2021
Mount Arlington, New Jersey


NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Sussex-Wantage Regional School District's (the "District's"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

The Honorable President and Members
of the Board of Education
Sussex-Wantage Regional School District
County of Sussex, New Jersey
Page 2

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or 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 the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

November 30, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb
Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal CFDA Number	Grant or State Project/Number	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Budgetary Expendi- tures	Repayment of Prior Years' Balances	Balance, June 30, 2021		
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				Budgetary Unearned Revenue	Budgetary Accounts Receivable	Due to Grantor
U.S. Department of Agriculture:												
Passed-through State Department of Education:												
Enterprise Fund												
Child Nutrition Cluster:												
10.555	N/A	7/1/20-6/30/21	\$ 25,274			\$ 25,274	\$ (12,543)			\$ 12,731		
10.555	N/A	7/1/19-6/30/20	24,988			\$ 7,413	(7,413)					
10.555	N/A	3/18/20-6/30/20	18,388	\$ (5,237)		5,237						
10.553	N/A	3/1/20-6/30/20	11,625	(3,311)		3,311						
10.555	N/A	7/1/20-6/30/21	231,266	(8,548)		200,876	(231,266)			12,731		\$ (30,390)
						234,698	(251,222)			12,731		(30,390)
				(8,548)		234,698	(251,222)			12,731		(30,390)
Total Enterprise Fund												
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Revenue Fund												
Elementary and Secondary Education Act Consolidated:												
84.010A	ESEA5100-21	7/1/20-9/30/21	160,754			56,295	(145,284)					(88,989)
84.010A	ESEA5100-20	7/1/19-9/30/20	159,981	(88,452)		92,316	(3,864)					
84.010A	ESEA5100-21	7/1/20-9/30/21	19,721			2,109	(6,158)					(4,049)
84.010A	ESEA5100-20	7/1/19-9/30/20	22,478	(3,219)		3,219						
	Total Title I			(91,671)		153,939	(155,306)					(93,038)
84.367A	ESEA5100-21	7/1/20-9/30/21	47,284			15,600	(17,847)					(2,247)
84.367A	ESEA5100-20	7/1/19-9/30/20	30,286	(10,655)		10,655						
	Total Title IIA			(10,655)		26,255	(17,847)					(2,247)
84.424A	ESEA5100-21	7/1/20-9/30/21	17,942				(4,073)					(4,073)
84.424A	ESEA5100-20	7/1/19-9/30/20	11,247			4,499	(4,499)					
	Total Title IV					4,499	(8,572)					(4,073)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustment	Balance, June 30, 2021		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Unearned Revenue	Budgetary Accounts Receivable	Due to Grantor
Special Education Cluster:														
I.D.E.A. Part B, Basic	84.027A	IDEA510021	7/1/20-9/30/21	\$431,338			\$145,443	\$ (238,145)				\$ (92,702)		
I.D.E.A. Part B, Basic	84.027A	IDEA510020	7/1/19-9/30/20	361,046	\$ (54,842)		99,710	(44,867)	\$ 4,049	\$ (1)				
I.D.E.A. Part B, Basic	84.027A	IDEA510019	7/1/18-9/30/19	468,397		\$4,049	8,052	(20,130)				(12,078)		
I.D.E.A. Preschool	84.173A	IDEA510021	7/1/20-9/30/21	20,130	(11,612)		11,612							
I.D.E.A. Preschool	84.173A	IDEA510020	7/1/19-9/30/20	19,354	(66,454)	4,049	264,817	(303,142)	4,049	(1)		(104,780)		
Total Special Education Cluster														
Education Stabilization Fund:														
COVID-19 - CARES Emergency Relief	84.425D	CARES510020	3/13/20-9/30/22	144,307	(8,173)		126,323	(136,014)				(17,864)		
COVID-19 - CRRSA-ESSER II	84.425D	S425D210027	3/13/20-9/30/23	527,173				(63,691)				(63,691)		
COVID-19 - Digital Divide Discretionary Grant	84.425D	S425D200027	7/16/20-10/31/20	38,844	(8,173)		38,844	(35,769)				(81,555)		\$3,075
Total Education Stabilization Fund							165,167	(235,474)				(81,555)		3,075
Total Special Revenue Fund and U.S. Department of Education					(176,953)	4,049	614,677	(720,341)	4,049	(1)		(285,693)		3,075
U.S. Department of Treasury - Passed-through State Department of Education:														
Special Revenue Fund:														
COVID-19 - Nonpublic Digital Divide	21.019	C8220COVID19	3/1/20-12/30/20	2,480			2,293	(2,293)						
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	N/A	3/1/20-12/30/20	63,198			63,198	(63,198)						
Total U.S. Department of Treasury							65,491	(65,491)						
U.S. Department of Health and Human Services -														
General Fund														
Medicaid Cluster:														
Medicaid Assistance Program	93.778	N/A	7/1/20-6/30/21	80,537			80,537	(80,537)						
Total General Fund/Medicaid Cluster							80,537	(80,537)						
Total Federal Awards					\$(185,501)	\$ 7,413	\$995,403	\$(1,117,591)	\$ 4,049	\$ (1)	\$ 12,731	\$(316,083)	\$ 3,075	\$ -0-

N/A - Not Applicable

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund State Aid:												
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 833,307	\$ (83,225)	\$	\$ 83,225					\$ 833,307	
School Choice Aid	20-495-034-5120-068	7/1/19-6/30/20	3,391	(339)		339					3,391	
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	5,244,425	(523,780)		523,780					5,244,425	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	155,733	(15,554)		15,554					155,733	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	784,782	(78,379)		78,379					784,782	
Nonpublic Transportation Costs	20-495-034-5120-014	7/1/19-6/30/20	9,355	(9,355)		9,355					9,355	
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	608,282	(608,282)		608,282					608,282	
Homeless Tuition Reimbursement	20-495-034-5120-005	7/1/19-6/30/20	17,050	(17,050)		17,050					17,050	
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	694,781	(35,315)		35,315					694,781	
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	833,307			750,203	\$ (833,307)		\$	(83,104)	833,307	
School Choice Aid	21-495-034-5120-068	7/1/20-6/30/21	30,444			27,408	(30,444)			(3,036)	30,444	
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	4,566,167			4,110,794	(4,566,167)			(455,373)	4,566,167	
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	155,733			140,202	(155,733)			(15,531)	155,733	
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	784,782			706,518	(784,782)			(78,264)	784,782	
Nonpublic Transportation Costs	21-495-034-5120-014	7/1/20-6/30/21	10,028				(10,028)		\$ (10,028)	(10,028)	10,028	
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	664,183				(664,183)		(664,183)	(664,183)	664,183	
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	674,373			640,875	(674,373)		(33,498)	(33,498)	674,373	
On-Behalf TPAF Post Medical Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	891,680			891,680	(891,680)				891,680	
On-Behalf Long Term Disability Insurance Contributions	21-495-034-5094-004	7/1/20-6/30/21	1,567			1,567	(1,567)				1,567	
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	2,792,198			2,792,198	(2,792,198)				2,792,198	
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	53,125			53,125	(53,125)				53,125	
Subtotal - General Fund				(1,371,279)		11,485,849	(11,457,587)		(707,709)	(1,343,017)	19,808,693	
Special Revenue Fund Aid:												
Nonpublic Auxiliary Services:												
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	109,511	\$ (10,951)	\$ 93,287	10,951		\$ (93,287)			16,224	
Nonpublic Handicapped Services:												
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	108,470	(10,847)	100,456	10,847		(100,456)			8,014	
Connective Speech	20-100-034-5120-066	7/1/19-6/30/20	81,115	(8,111)	73,003	8,111		(73,003)			8,112	
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	14,866	(1,487)	9,098	1,487		(9,098)			5,768	
N.J. Nonpublic Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	3,690		102			(102)			3,588	
N.J. Nonpublic Nursing Aid	20-100-034-5120-070	7/1/19-6/30/20	7,760		94			(94)			7,666	
N.J. Nonpublic Technology Initiative	20-100-034-5120-373	7/1/19-6/30/20	2,520		565			(565)			1,955	
N.J. Nonpublic Security Aid	20-100-034-5120-509	7/1/19-6/30/20	12,000		14			(14)			11,986	
Nonpublic Auxiliary Services:												
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	222,953			222,953	(4,998)		\$217,955		4,998	
Nonpublic Handicapped Services:												
Supplementary Instruction	21-100-034-5120-066	7/1/20-6/30/21	110,899			110,899	(3,805)		107,094		3,805	
Connective Speech	21-100-034-5120-066	7/1/20-6/30/21	83,849			83,849	(5,468)		78,381		5,468	
Examination and Classification	21-100-034-5120-066	7/1/20-6/30/21	15,793			15,793	(10,215)		5,578		10,215	
N.J. Nonpublic Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	3,482			3,482	(2,986)		496		2,986	
N.J. Nonpublic Nursing Aid	21-100-034-5120-070	7/1/20-6/30/21	6,630			6,630	(6,530)		100		6,530	
N.J. Nonpublic Security Aid	21-100-034-5120-509	7/1/20-6/30/21	11,375			11,375	(11,132)		243		11,132	
Subtotal - Special Revenue Fund - Department of Education				(31,396)	276,619	486,377	(45,134)	(276,619)	409,847	(1,343,017)	108,447	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
Enterprise Fund:												
Seamless Summer Program	20-100-010-3350-023	3/1/20-6/30/20	\$ 291	\$ (83)	\$	7,358	\$ (8,950)		\$ (1,592)	\$	(1,592)	\$ 291
Seamless Summer Program	21-100-010-3350-023	7/1/20-6/30/21	8,950	(83)		7,441	(8,950)		(1,592)		(1,592)	8,950
Subtotal - Enterprise Fund												9,241
Total State Department of Education				(1,402,758)	\$276,619	11,979,667	(11,511,671)	\$ (276,619)	\$ (709,301)	\$409,847	(1,344,609)	19,926,381
Total State Awards												
Total State Awards - for Major Program Determination												
Less: On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Medical Retirement Contribution	21-495-034-5094-001	7/1/20-6/30/21	(891,680)				891,680					
On-Behalf Long Term Disability Insurance Contribution	21-495-034-5094-004	7/1/20-6/30/21	(1,567)				1,567					
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	(2,792,198)				2,792,198					
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(53,125)				53,125					
Subtotal - On-Behalf TPAF Pension System Contributions							3,738,570					
Total State Awards - for Major Program Determination												
\$ (7,773,101)												

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Board of Education, Sussex-Wantage Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$65,969 for the general fund and (\$7,106) 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 the special revenue funds.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 80,537	\$11,523,556	\$11,604,093
Special Revenue Fund	788,531	35,329	823,860
Food Service Fund	<u>251,222</u>	<u>8,950</u>	<u>260,172</u>
Total Awards	<u>\$ 1,120,290</u>	<u>\$11,567,835</u>	<u>\$12,688,125</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2021.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*
- The auditor's report on compliance for its major federal and state award programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027A	7/1/20-6/30/21	\$ 431,338	\$ 238,145
I.D.E.A. Part B, Basic	84.027A	7/1/19-6/30/20	361,046	44,867
I.D.E.A. Preschool	84.173A	7/1/20-6/30/21	20,130	20,130
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/20-6/30/21	25,274	12,543
Food Distribution Program	10.555	7/1/19-6/30/20	24,988	7,413
COVID-19 - Seamless Summer Option	10.555	3/1/20-6/30/21	231,266	231,266
<u>State:</u>				
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	833,307	833,307
School Choice Aid	21-495-034-5120-068	7/1/20-6/30/21	30,444	30,444
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	4,566,167	4,566,167
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	155,733	155,733

- The threshold used for distinguishing between Type A and Type B for both federal and state programs was \$750,000.
- The District was not determined to be a "low-risk" auditee for federal programs and was determined to be a "low-risk" auditee for state programs.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

The District had no prior year audit findings.