

SCHOOL DISTRICT
OF
WASHINGTON TOWNSHIP

Washington Township School District
Green Bank, New Jersey

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

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Introductory Section

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WASHINGTON TOWNSHIP SCHOOL DISTRICT
(Burlington County)
GREEN BANK SCHOOL

2434 Route 563
Phone: (609) 965-3520

Egg Harbor City, New Jersey 08215
Fax (609) 965-6330

March 10, 2023

Honorable President and
Members of the Board of Education
Washington Township School District
Green Bank, New Jersey 08215

Dear Board Members/Citizens:

It is with pleasure that we submit the Annual Comprehensive Financial Report (“ACFR”) of the Washington Township School District (“District”) for the fiscal year ended June 30, 2022. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- ◆ The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- ◆ The Financial Section begins with the Independent Auditors’ Report and includes 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 other 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 Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1996, as amended, the U. S. Office of Management and Budget’s 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The Washington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14, as amended by GASB Statements No. 34 and No. 61. All funds and account groups of the District are included in this report. The Washington Township Board of Education and the school district constitute the District's reporting entity.

The District is a non-operating send/receive district. The district sends students to various Pre-K through grade 12 schools for regular and special education. There were 65 students in the 2021-2022 school year.

2. ECONOMIC CONDITION AND OUTLOOK

The Washington Township area is still experiencing a period of stagnant development, which is in part due to governmental zoning and restrictions, and in part to the economy. Population within the Township seems stable; although the school enrollment has decreased.

3. MAJOR INITIATIVES

All students in grades Pre-K through eighth grade attend the Mullica Township School District as part of a send/receive relationship. High school students continue to attend Greater Egg Regional High School District.

The shared services program is in place to combine Business, Technology and Treasurer services with the Mullica Township Board of Education. The agreements help to lower Washington Township's administrative costs and other overhead costs, which are always disproportionately high in a school system of this size. A contract with the Greater Egg Regional High School District for transportation services has made the students' commute to the Mullica Township School District, Greater Egg Regional High School District, Burlington County Institute of Technology and Atlantic County Special Services District shorter and easier; further providing the District with cost savings.

There has been significant savings to the taxpayers of the township since becoming a non-operating school district. However, the current school tax levy is at the state mandated minimum tax levy. This means that the Board is unable to lower taxes below the current tax rate. In an effort to lower taxes, A reduction in the minimum tax levy would further reduce the burden on the taxpayer.

4. 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 are compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles ("GAAP"). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Funds, and the Debt Service Fund. Transfers among line items are approved by the Board of Education and reconciled with the requirements of P.L. 2004, C.73, commonly known as S-1701. 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 reservations of fund balance at fiscal year-end.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. DEBT ADMINISTRATION

At June 30, 2022, the District had no long-term debt.

8. CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in the Notes to the Basic Financial Statements, Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking 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.

9. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, fidelity bonds and worker's compensation. A Schedule of Insurance Coverage is found at Schedule J-20.

10. OTHER INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott & Associates, LLC was selected by the Washington Township School District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Karen Gfroehrer

Karen Gfroehrer
Business Administrator/Board Secretary

WASHINGTON TOWNSHIP SCHOOL DISTRICT

GREEN BANK, NEW JERSEY

ROSTER OF OFFICIALS

June 30, 2022

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|---|----------------------------|
| Charlene Lee, President | 2024 |
| Scott Bartling, Vice President | 2025 |
| Teri Giercyk | 2023 |
| Beth Plummer | 2025 |
| Melissa Achey | 2024 |

Other Officials

Karen Gfroehrer, Business Administrator/Board Secretary

Dawn Stollenwerk, Treasurer of School Monies

Ronald W. Sahli, Solicitor

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Ford, Scott & Associates, L.L.C.
1535 Haven Avenue
Ocean City, NJ 08226

Attorney

Mr. Ronald Sahli
Sahli & Padovani
1145 S. White Horse Pike
Hammonton, New Jersey 08037

Official Depository

TD Bank
Cherry Hill, NJ

Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

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 Washington Township School District, in the County of Burlington, New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 Washington School District, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Washington Township School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Washington Township School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charge with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Township School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal 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 (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory and statistical sections and have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023 on our consideration of the Washington Township School 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 entity'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 Washington Township School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

March 10, 2023

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Required Supplemental Information
Part I

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MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Washington Township Sending School District (“Non-operating School District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal years that ended on June 30, 2022 and 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$414,714.87 due mainly to an increase in tuition costs as well as a decrease in state aid.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to the greater of 4% of the total general fund expenditures or \$250,000. Any excess is required to be designated as Restricted Fund Balance – Excess surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2022 and 2021, the District had \$1,145,200.62 and \$1,615,058.83 excess surplus respectively.
- During the fiscal year ended June 30, 2022, the District’s expenses incurred were \$467,442.87 more than total revenues realized. During the prior fiscal year, the District’s expenses were \$89,040.78 less than total revenues.
- This district has no business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, capital projects, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the district’s government, reporting on the district’s operations in *more detail* than the government-wide statements.
 - > The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The following table shows how the required parts of this annual report are arranged and relate to one another.

The table below summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this over view section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Major Features of Washington Township Sending School District’s
Government-wide and Fund Financial Statements**

| | | Fund Statements | |
|---|---|---|--------------------|
| | | Government Wide Statements | Governmental Funds |
| Scope | Entire District | The activities of the District | |
| Required Financial Statements | Statement of net position Statement of changes in net position | Balance sheet Statement of revenues, expenditures, and changes in fund balances | |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term. | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included. | |
| Type of inflow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid. | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year of soon thereafter. | |

Government-wide Statements

The government-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 include *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of changes in net position regardless of when cash is received or paid.

The two government-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets 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 health is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of the district's facilities.

The government-wide financial statements of the District have one category:

- Governmental activities – most of the District's basic services are included here, such as administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has one kind of fund:

- *Governmental funds* – All of the District's basic services are included in governmental funds, which 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 government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District’s governmental activities net position increased between fiscal years 2022 and 2021 due mainly to a decrease in tuition costs.

| Governmental Activities | | |
|--------------------------------|----------------------------|-------------------------|
| | 2022 | 2021 |
| Current Assets | \$ 1,425,035 | 1,892,478 |
| Deferred Outflows | <u>21,791</u> | <u>35,317</u> |
| Total Assets | <u><u>1,446,826</u></u> | <u><u>1,927,795</u></u> |
| Current Liabilities | - | - |
| Non-Current Liabilities | - | - |
| Deferred Inflows | <u>59,068</u> | <u>125,322</u> |
| Total Liabilities | <u><u>59,068</u></u> | <u><u>125,322</u></u> |
| Net Position: | | |
| Restricted | 1,174,023 | 1,635,528 |
| Unrestricted | <u>213,735</u> | <u>166,945</u> |
| | <u><u>\$ 1,387,758</u></u> | <u><u>1,802,473</u></u> |

As required by New Jersey Statutes, the unrestricted net position of the District are not permitted to exceed 4% of total general fund expenditures or \$250,000, whichever is greater. Any excess must be appropriated as budgeted fund balance in the subsequent years’ budget. As of June 30, 2022 and 2021, the District had \$1,145,201 and \$1,615,059 excess fund balance respectively.

Changes in net position. The total revenue of the District decreased \$245,357 due to a decrease in state aid.

Approximately 35% of the District’s revenue comes from the State of New Jersey in the form of nonrestricted state aid. There was a large decrease in the other post retirement benefit liability from 2021 to 2022, causing negative balances in some expenses and operating grants and contributions for the year ended June 30, 2022.

The District expenses are primarily related to tuition, transportation and insurance. The following table summarizes the district’s revenues for 2022 and 2021:

| | 2022 | 2021 | Change | % Change |
|------------------------|-------------------|------------------|------------------|-------------|
| Property Taxes | \$ 829,505 | 829,505 | - | 0% |
| Unrestricted State Aid | 351,490 | 472,143 | (120,653) | -26% |
| Operating Grants | (195,102) | (120,223) | (74,879) | 62% |
| Other | 4,704 | 54,530 | (49,826) | -91% |
| Total | \$ 990,597 | 1,235,955 | (245,358) | -20% |

Governmental Activities

The following schedule summarizes the governmental activities of the District during the 2022 and 2021 fiscal year:

| | Governmental Activities | |
|--|-------------------------|------------------|
| | 2022 | 2021 |
| Revenues | | |
| Program revenue | | |
| Federal and state grants | (195,102) | (120,223) |
| General revenues | | |
| Property taxes | 829,505 | 829,505 |
| State aid entitlements | 351,490 | 472,143 |
| Miscellaneous | 4,704 | 54,530 |
| Total revenues | 990,597 | 1,235,955 |
| Expenses | | |
| Instruction | - | (1,888) |
| Support services: | | |
| Tuition | 1,252,920 | 879,671 |
| Student & instruction related | 8,987 | (3,041) |
| General admin services | (50,925) | (23,057) |
| Central Services | (115,598) | (70,148) |
| Admin Info. Tech. | 10,784 | 14,109 |
| Plant operations/maint | 1,325 | 834 |
| Pupil transportation | 278,979 | 271,643 |
| Capital Outlay | 18,840 | 18,840 |
| Total expenses | 1,405,312 | 1,086,963 |
| Excess (Deficiency) before | | |
| Extraordinary and Special | (414,715) | 148,992 |
| items | | |
| Transfers | | |
| None | | |
| Increase (decrease) in net position | (414,715) | 148,992 |

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year-end, the governmental funds reported a fund balance of \$1,425,035.45 which is \$467,442.87 lower than the beginning of the year. The majority of the decrease is the result of higher tuition costs.

General Fund Budgetary Highlights

As further explained in the Notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office and, as a Type II School District, are approved by the voters annually if the District exceeds the statutory CAP limitations. Effective with the 2013-2014 school year, if the District stays within the statutory limitations, there is no vote on the budget by the District voters and Board Members are elected at the time of the general election in November. Transfers of appropriations may be made by Board resolution at any time during the fiscal year. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at P.O. Box 318, 500 Elwood Road, Elwood, New Jersey 08217.

BASIC FINANCIAL STATEMENTS

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DISTRICT - WIDE FINANCIAL STATEMENTS

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Washington Township School District
Statement of Net Position
June 30, 2022

| | Governmental Activities | Total |
|---------------------------------------|------------------------------------|--------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,398,840.45 | 1,398,840.45 |
| Investments | - | - |
| Tax Levy Receivable | - | - |
| Other Receivables | - | - |
| Receivables from State Government | 26,195.00 | 26,195.00 |
| Total Assets | 1,425,035.45 | 1,425,035.45 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Outflows Related to Pensions | 21,791.00 | 21,791.00 |
| Total Deferred Outflows of Resources | 21,791.00 | 21,791.00 |
| LIABILITIES | | |
| Unearned Revenue | - | - |
| Total liabilities | - | - |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Inflows Related to Pensions | 59,068.00 | 59,068.00 |
| Total Deferred Inflows of Resources | 59,068.00 | 59,068.00 |
| NET POSITION | | |
| Restricted for: | | |
| Other purposes | 1,174,023.45 | 1,174,023.45 |
| Unrestricted | 213,735.00 | 213,735.00 |
| Total net position | \$ 1,387,758.45 | 1,387,758.45 |

Washington Township School District
Statement of Change in Net Position
For the Year Ended June 30, 2022

| Functions/Programs | Expenses | Indirect Expenses Allocation | Program Revenues | | | | Total |
|--|-----------------|------------------------------|----------------------|------------------------------------|----------------------------------|-------------------------|-------|
| | | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | |
| Governmental activities: | | | | | | | |
| Regular Instruction | \$ - | - | - | - | - | - | - |
| Support services: | | | | | | | |
| Tuition | 1,252,920.10 | | | | | (1,252,920.10) | |
| Student and Instruction Related Services | 8,987.00 | | | | | (8,987.00) | |
| General Administration | (50,924.70) | | | (59,664.43) | | (8,739.73) | |
| Central Services | (115,598.48) | | | (135,437.57) | | (19,839.09) | |
| Admin Information Technology | 10,784.50 | | | | | (10,784.50) | |
| Plant Operations and Maintenance | 1,324.52 | | | | | (1,324.52) | |
| Pupil Transportation | 278,979.21 | | | | | (278,979.21) | |
| Unallocated benefits | - | - | - | - | - | - | |
| Capital Outlay | 18,840.00 | | | | | (18,840.00) | |
| Total governmental activities | 1,405,312.15 | - | - | (195,102.00) | - | (1,600,414.15) | |
| Total primary government | \$ 1,405,312.15 | - | - | (195,102.00) | - | (1,600,414.15) | |
| General revenues: | | | | | | | |
| Property taxes, levied for general purposes, net | | | | | | 829,505.00 | |
| Federal and State aid not restricted | | | | | | 351,490.00 | |
| Investment Earnings | | | | | | - | |
| Tuition from LEAs within the State | | | | | | 2,747.00 | |
| Miscellaneous Income | | | | | | 1,957.28 | |
| Total general revenues, special items, extraordinary items and transfers | | | | | | 1,185,699.28 | |
| Change in Net Position | | | | | | (414,714.87) | |
| Net Position—beginning | | | | | | 1,802,473.32 | |
| Net Position—ending | | | | | | \$ 1,387,758.45 | |

FUND FINANCIAL STATEMENTS

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**Washington Township School District
Balance Sheet
Governmental Funds
June 30, 2022**

| | General Fund | Total Governmental Funds |
|---|-------------------------|---|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,398,840.45 | 1,398,840.45 |
| Investments | | - |
| Due from Other Funds | | - |
| Tax Levy Receivable | | - |
| Receivables from Federal Government | | - |
| Receivables from State Government | 26,195.00 | 26,195.00 |
| Other Receivables | | - |
| Total assets | 1,425,035.45 | 1,425,035.45 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | | - |
| Due to Other Governments | | - |
| Due to Other Funds | | - |
| Unearned Revenue | | - |
| Total liabilities | - | - |
| Fund Balances: | | |
| Restricted for: | | |
| Excess Surplus | 193,969.45 | 193,969.45 |
| Excess Surplus - Designated for subsequent year's Expenditures | 951,231.17 | 951,231.17 |
| Assigned to: | | |
| Legally assigned - designated for Subsequent year's expenditures | 28,822.83 | 28,822.83 |
| Encumbrances | - | - |
| Unassigned: | | |
| General fund | 251,012.00 | 251,012.00 |
| Total Fund balances | 1,425,035.45 | 1,425,035.45 |
| Total Liabilities and Fund balances | \$ 1,425,035.45 | |

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

| | |
|--|------------------------|
| Pension Liabilities Net of Deferred Outflows & Inflows | (37,277.00) |
| Total net position of governmental activities | \$ 1,387,758.45 |

Exhibit B-2

Washington Township School District
 Statement of Revenues, Expenditures, And Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2022

| | <u>General Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|---|
| REVENUES | | |
| Local tax levy | \$ 829,505.00 | 829,505.00 |
| Interest | - | - |
| Tuition from LEAs within the State | 2,747.00 | 2,747.00 |
| Miscellaneous | 1,957.28 | 1,957.28 |
| State sources | 351,490.00 | 351,490.00 |
| Federal sources | - | - |
| | <hr/> | <hr/> |
| Total revenues | 1,185,699.28 | 1,185,699.28 |
| EXPENDITURES | | |
| Current: | | |
| Instruction: | | |
| General Supplies | | - |
| Support services and undistributed costs: | | |
| Tuition | 1,252,920.10 | 1,252,920.10 |
| Student and Instruction Related Services | 8,987.00 | 8,987.00 |
| General Administration | 24,150.34 | 24,150.34 |
| Central Services | 54,821.00 | 54,821.00 |
| Administrative Information Technology | 10,784.50 | 10,784.50 |
| Plant Operations and Maintenance | 3,660.00 | 3,660.00 |
| Pupil transportation | 278,979.21 | 278,979.21 |
| Employee Benefits | - | - |
| Capital Outlay | 18,840.00 | 18,840.00 |
| Total expenditures | <hr/> 1,653,142.15 | <hr/> 1,653,142.15 |
| (Deficit) of revenues over expenditures | <hr/> (467,442.87) | <hr/> (467,442.87) |
| Other Financing Sources (Uses) | | |
| Cancellation of Fund 20 Balances | - | - |
| Total Other Financing Sources and Uses | <hr/> - | <hr/> - |
| Net change in fund balances | (467,442.87) | (467,442.87) |
| Fund balance—July 1 | 1,892,478.32 | 1,892,478.32 |
| Fund balance—June 30 | <hr/> \$ 1,425,035.45 | <hr/> 1,425,035.45 |

**Washington Township School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2022**

| | | |
|--|-----------|-------------------------------|
| Total net change in fund balances - governmental funds (from B-2) | | \$ (467,442.87) |
| Amounts reported for governmental activities in the statement of activities (A-2) are different because: | | |
| District pension contributions - PERS | 52,728.00 | |
| Cost of benefits earned net of employee contributions | <u>-</u> | 52,728.00 |
| | | <hr/> |
| Change in net assets of governmental activities | | <u><u>\$ (414,714.87)</u></u> |

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Washington Township School District 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 business administrator is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the Washington Township School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The Washington Township School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The purpose of the district is to educate students in grades K – 12.

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

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

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

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general activities are classified as governmental activities.

In the governmental-wide Statement of Net Position, both the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Changes in Net Position reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in the governmental categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

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

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

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.

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the

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

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. Fund Balances – Governmental Funds

Washington Township School District elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, ect.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District’s highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

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

4. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non operating revenue based on GASBS No. 33. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met are reported as advances by the provider and deferred revenue by the recipient.

5. Expenditures:

Expenses are recognized when the related fund liability is incurred.

6. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. No material transfers were made during the fiscal 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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only 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.

7. Encumbrances:

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

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

8. Tuition Payable

Tuition charges for the fiscal year 2021-22 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

9. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

10. Pension

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

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". This statement, which is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 31, 2021, will not have any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 93, "Replacement of Interbank Offered Rates". This statement, which is effective for fiscal periods beginning after December 31, 2021, and all reporting periods thereafter, will not have

any effect on the District's financial reporting.

In March 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This statement, which is effective for fiscal years beginning after December 31, 2023, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription Based Information Technology Arrangements". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In June 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". This statement, which is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter, will not have any effect on the District's financial reporting.

In April 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 99, "Omnibus 2022". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". This statement, which is effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, "Compensated Absences". This statement, which is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter, may have an effect on the District's financial reporting.

NOTE 2 - INVESTMENTS

As of June 30, 2022, the district had no investments.

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the district or the local units in which the district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash

Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The district places no limit on the amount the district may invest in any one issuer.

NOTE 3 – CASH

Custodial Credit Risk—Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The district’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$0 of the government’s bank balance of \$1,425,904 was exposed to custodial credit risk.

NOTE 4 - PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees’ Retirement System or the Teacher’s Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers’ Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the reports can be accessed on the internet at <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>.

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified

members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF. The School District's contributions to TPAF for the years ending June 30, 2022, 2021 and 2020 were \$0, \$0 and \$0 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2022, 2021 and 2020 were \$0, \$0, and \$0 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2022, 2021 and 2020, the State of New Jersey contributed \$0, \$0, and \$0, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$0, \$0, and \$0 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

NOTE 5 – PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the District's pension liabilities. However, due to the fact that the District reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the District's pension liabilities as June 30, 2021:

Public Employees' Retirement System

The District has a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 that was rolled forward to June 30, 2021. 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

Washington Township School District
Notes to Financial Statements
June 30, 2022

relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion would be 0%, which is no change from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the District would have recognized pension expense of \$52,728. At December 31, 2021, the District would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected & actual experience | | |
| Changes of assumptions | | |
| Changes in proportion | 21,791 | 59,068 |
| Net difference between projected and actual earnings on pension plan investments | | |
| Total | <u>\$ 21,791</u> | <u>59,068</u> |

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

| <u>Year ended June 30,</u> | |
|--------------------------------|--------------------|
| 2022 | \$ (14,524) |
| 2023 | (10,370) |
| 2024 | (7,071) |
| 2025 | (5,315) |
| 2026 | 2 |
| Total | <u>\$ (37,277)</u> |

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

| | |
|----------------|-------|
| Inflation rate | |
| Price | 2.75% |
| Wage | 3.25% |

Washington Township School District
Notes to Financial Statements
June 30, 2022

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 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 disable 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 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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's target asset allocation as of June 30, 2021 are summarized in the following table:

Washington Township School District
Notes to Financial Statements
June 30, 2022

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------------|-------------------|--|
| U.S. Equity | 27.00% | 8.09% |
| Non-U.S. Developed Markets Equity | 13.50% | 8.71% |
| Emerging Markets Equity | 5.50% | 10.96% |
| Private Equity | 13.00% | 11.30% |
| Real Estate | 8.00% | 9.15% |
| Real Assets | 3.00% | 7.40% |
| High Yield | 2.00% | 3.75% |
| Private Credit | 8.00% | 7.60% |
| Investment Grade Credit | 8.00% | 1.68% |
| Cash Equivalents | 4.00% | 0.50% |
| U.S. Treasuries | 5.00% | 0.95% |
| Risk Mitigation Strategies | 3.00% | 3.35% |

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---------------------------|-------------------------------------|---------------------------|
| District's proportionate share of the net pension liability | \$ - | - | - |

Pension plan fiduciary net position.

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

NOTE 6 – OTHER POST RETIREMENT BENEFITS

General Information about the OPEB Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Retired OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as “the employers”) for which the State is legally obligated to pay for benefits. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the Public Employees’ Retirement System (PERS), the Police and Firemen’s Retirement System (PFRS), and the Alternate Benefit Program (ABP). In addition, N.J.S.A. 54:14-17.26 provides that for purposes of the State Retired OPEB Plan, and employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis.

Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The state is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$67,809,962,608 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at state.nj.us/treasury/pensions/financial-reports.shtml.

Total OPEB Liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget webpage: <https://www.nj.gov/treasury/omb/publications/21fr/NJFRFY2021Complete.pdf>.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State's most recently issued ACFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate – 2.50%

Salary Increases –

| | TPAF/ABP | PERS | PFRS |
|--------------|--|--|---|
| Through 2026 | 1.55 - 4.45% based on service years | 2.00 - 6.00% based on service years | 3.25 - 15.25% based on service years |
| Thereafter | 2.75 - 5.65% based on service years | 3.00 - 7.00% based on service years | Applied to all future years |

Mortality Rates –

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2021 “Safety” (PFRS), “General” (PERS), and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the period July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions –

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.7% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially .01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025, and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Washington Township School District
Notes to Financial Statements
June 30, 2022

Discount Rate –

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

| | |
|--|-----------------------------|
| Balance at 6/30/21 (Based on 6/30/2020 measurement date) | \$ 67,809,962,608.00 |
| Changes for the year: | |
| Service cost | 3,217,184,264.00 |
| Interest | 1,556,661,679.00 |
| Changes in Benefit Terms | (63,870,842.00) |
| Differences between Expected & Actual Experiences | (11,385,071,658.00) |
| Changes in assumptions or other inputs | 59,202,105.00 |
| Contributions: Member | 39,796,196.00 |
| Benefit payments | <u>(1,226,213,382.00)</u> |
| Net changes | <u>(7,802,311,638.00)</u> |
| Balance at 6/30/22 (Based on 6/30/2021 measurement date) | <u>\$ 60,007,650,970.00</u> |

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability as of June 20, 2021, respectively, calculated using a discount rate as disclosed above as well as what the total nonemployer OPEB would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease (1.16%) | Discount Rate (2.16%) | 1% Increase (3.16%) |
|---|------------------------|--------------------------|------------------------|
| Total OPEB Liability (School Retirees) | 71,879,745,555.00 | 60,007,650,970.00 | 50,659,089,138.00 |

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

The following presents the total OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

Washington Township School District
Notes to Financial Statements
June 30, 2022

| | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
|---|--------------------|--|--------------------|
| Total OPEB Liability (School Retirees) | 48,576,388,417.00 | 60,007,650,970.00 | 75,358,991,782.00 |

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

For the year ended June 30, 2021, the board of education recognized OPEB expense of (\$195,102) determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education’s proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees’ OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 9,045,886,863.00 | (18,009,362,976.00) |
| Changes of assumptions | 10,179,536,966.00 | (6,438,261,807.00) |
| Total | <u>\$ 19,225,423,829.00</u> | <u>\$ (24,447,624,783.00)</u> |

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

| Year ended <u>June 30,</u> | |
|-------------------------------|------------------------------|
| 2022 | \$ (1,182,303,041.00) |
| 2023 | (1,182,303,041.00) |
| 2024 | (1,182,303,041.00) |
| 2025 | (1,182,303,041.00) |
| 2026 | (840,601,200.00) |
| Thereafter | <u>347,612,410.00</u> |
| Total | <u>\$ (5,222,200,954.00)</u> |

(Contributions made after June 30 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan’s fiduciary net position is available in the separately issued

OPEB financial report.

NOTE 7 – FUND BALANCE APPROPRIATED

General Fund – Of the \$1,450,218.45 General Fund balance at June 30, 2022, \$0 is reserved for encumbrances; \$1,145,200.62 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$951,231.17 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$28,822.83 has been appropriated and also included as anticipated revenue for the year ending June 30, 2023; and \$276,195.00 is unassigned.

NOTE 8 – CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$1,145,200.62 of which \$951,231.17 has been appropriated and included as anticipated revenue for the year ending June 30, 2023.

NOTE 9 – 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. During the fiscal year ended June 30, 2022, the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

Property and Liability Insurance – The district maintains commercial insurance coverage for property and liability insurance. As a non-operating district, the only assets for coverage purposes are those in the office of the Board Secretary.

NOTE 10 – LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated events through March 10, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

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Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

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Washington Township School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Under/(Over) Final to Actual |
|---|---------------------|-------------------|---------------------|---------------------|---------------------------------------|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 829,505.00 | | 829,505.00 | 829,505.00 | - |
| Tuition from LEAs within the State | | | - | 2,747.00 | 2,747.00 |
| Miscellaneous | 2,000.00 | | 2,000.00 | 1,957.28 | (42.72) |
| Total - Local Sources | 831,505.00 | - | 831,505.00 | 834,209.28 | 2,704.28 |
| State Sources: | | | | | |
| Transportation Aid | 83,884.00 | | 83,884.00 | 83,884.00 | - |
| Special Education Aid | 52,560.00 | | 52,560.00 | 52,560.00 | - |
| Equalization Aid | 145,473.00 | | 145,473.00 | 145,473.00 | - |
| Security Aid | 9,777.00 | | 9,777.00 | 9,777.00 | - |
| Adjustment Aid | 21,471.00 | | 21,471.00 | 21,471.00 | - |
| Extraordinary Aid | | | - | 25,905.00 | 25,905.00 |
| Non-Public Transportation Aid | | | | 290.00 | 290.00 |
| Total - State Sources | 313,165.00 | - | 313,165.00 | 339,360.00 | 26,195.00 |
| Total Revenues | 1,144,670.00 | - | 1,144,670.00 | 1,173,569.28 | 28,899.28 |
| EXPENDITURES: | | | | | |
| Current Expense: | | | | | |
| Undistributed Expenditures - Instruction: | | | | | |
| Tuition to Other LEAs Within the State - Regular | 1,112,840.00 | 1,000.00 | 1,113,840.00 | 1,113,840.00 | - |
| Tuition to Other LEAs Within the State - Special | 29,218.00 | | 29,218.00 | 27,991.00 | 1,227.00 |
| Tuition to County Voc. School Dist. - Regular | 3,700.00 | | 3,700.00 | 3,700.00 | 3,700.00 |
| Tuition to CSSD & Reg. Day Schools | 109,458.00 | (1,000.00) | 108,458.00 | 111,089.10 | (2,631.10) |
| Total Undistributed Expenditures - Instruction | 1,255,216.00 | - | 1,255,216.00 | 1,252,920.10 | 2,295.90 |
| Undistributed Expenditures - Speech, OT, PT and Related Services | | | | | |
| Purchased Professional - Educational Services | 1,900.00 | 2,440.00 | 4,340.00 | 3,603.00 | 737.00 |
| Total Undistributed Expenditures - Speech, OT, PT and Related Services | 1,900.00 | 2,440.00 | 4,340.00 | 3,603.00 | 737.00 |
| Undistributed Expenditures - Child Study Team | | | | | |
| Purchased Professional - Educational Services | 111,164.00 | (2,440.00) | 108,724.00 | 5,384.00 | 103,340.00 |
| Total Undistributed Expenditures - Child Study Team | 111,164.00 | (2,440.00) | 108,724.00 | 5,384.00 | 103,340.00 |

Washington Township School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

| | | | | | | |
|---|-------------------|------------|-------------------|-------------------|------------------|--|
| Undistributed Expenditures - Support Services - Gen. Admin.: | | | | | | |
| Legal Services | 8,000.00 | (1,872.00) | 6,128.00 | | 6,128.00 | |
| Audit Fees | 9,200.00 | | 9,200.00 | 9,000.00 | 200.00 | |
| Other Purchased Professional Services | 7,154.00 | 1,872.00 | 9,026.00 | 9,026.00 | - | |
| Communications/Telephone | 200.00 | | 200.00 | | 200.00 | |
| Misc. Purchased Services | 900.00 | (341.18) | 558.82 | | 558.82 | |
| Miscellaneous Expenditures | 3,900.00 | 341.18 | 4,241.18 | 4,241.18 | - | |
| BOE Membership Dues and Fees | 2,000.00 | | 2,000.00 | 1,883.16 | 116.84 | |
| Total Undistributed Expenditures - Support Services - Gen. Admin. | 31,354.00 | - | 31,354.00 | 24,150.34 | 7,203.66 | |
| Undistributed Expenditures - Central Services: | | | | | | |
| Purchased Professional Services | 54,821.00 | | 54,821.00 | 54,821.00 | - | |
| Supplies and Materials | 1,500.00 | | 1,500.00 | | 1,500.00 | |
| Miscellaneous Expenditures | 200.00 | | 200.00 | | 200.00 | |
| Total Undistributed Expenditures - Central Services | 56,521.00 | - | 56,521.00 | 54,821.00 | 1,700.00 | |
| Undistributed Expenditures - Admin. Info Technology Purchased Technical Services | 15,592.00 | | 15,592.00 | 10,784.50 | 4,807.50 | |
| Total Undistributed Expenditures - Admin. Info Technology | 15,592.00 | - | 15,592.00 | 10,784.50 | 4,807.50 | |
| Undistributed Expenditures - Custodial Services Insurance | 4,000.00 | | 4,000.00 | 3,660.00 | 340.00 | |
| Total Undistributed Expenditures - Custodial Services | 4,000.00 | - | 4,000.00 | 3,660.00 | 340.00 | |
| Total Undistributed Expenditures - Maintenance of School Facilities | 4,000.00 | - | 4,000.00 | 3,660.00 | 340.00 | |
| Undistributed Expenditures - Student Transportation Services: | | | | | | |
| Management Fee - ESC & CTSA Trans. Program | 14,500.00 | | 14,500.00 | 13,141.81 | 1,358.19 | |
| Contracted Services - (Between Home and School) - Joint Agreements | 259,270.00 | (3,066.60) | 256,203.40 | 188,570.80 | 67,632.60 | |
| Contracted Services - (Special Ed Students) - Joint Agreements | 71,200.00 | 3,066.60 | 74,266.60 | 74,266.60 | - | |
| Contracted Services - Aid in Lieu of Payments - Non-Public | 4,850.15 | | 4,850.15 | 3,000.00 | 1,850.15 | |
| Other Purchased Professional Services | | | - | | - | |
| Total Undistributed Expenditures - Student Transportation Serv. | 349,820.15 | - | 349,820.15 | 278,979.21 | 70,840.94 | |

Washington Township School District
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2022

| | | | | | |
|---|---------------------|----------|---------------------|---------------------|-------------------|
| Total Undistributed Expenditures | 1,825,567.15 | - | 1,825,567.15 | 1,634,302.15 | 191,265.00 |
| Total Expenditures - Current Expense | 1,825,567.15 | - | 1,825,567.15 | 1,634,302.15 | 191,265.00 |
| Capital Outlay: | | | | | |
| Facilities Acquisition and Construction Services | 18,840.00 | | 18,840.00 | 18,840.00 | - |
| Assessment for Debt Service on SDA Funding | | | | | |
| Total Facilities Acquisition and Construction Services | 18,840.00 | - | 18,840.00 | 18,840.00 | - |
| Total Capital Outlay | 18,840.00 | - | 18,840.00 | 18,840.00 | - |
| Transfer to Charter Schools | | | | | |
| Total Expenditures | 1,844,407.15 | - | 1,844,407.15 | 1,653,142.15 | 191,265.00 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (699,737.15) | - | (699,737.15) | (479,572.87) | 220,164.28 |
| Other Financing Sources: | | | | | |
| Operating Transfers In(Out) | | | | | |
| Cancellation of Fund 20 Balances | | | | | |
| Total Other Financing Sources | - | - | - | - | - |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses): | (699,737.15) | - | (699,737.15) | (479,572.87) | 220,164.28 |
| Fund Balances, July 1 | 1,929,791.32 | - | 1,929,791.32 | 1,929,791.32 | - |
| Fund Balances, June 30 | \$ 1,230,054.17 | - | 1,230,054.17 | 1,450,218.45 | 220,164.28 |

Recapitulation:

Restricted Fund Balance:

Restricted Fund Balance - Excess Surplus

193,969.45

Restricted Fund Balance - Excess Surplus - Designated for Subsequent Year's Expenditures

951,231.17

Assigned Fund Balance:

Legally Assigned - Designated for subsequent year's expenditures

28,822.83

Reserve for Encumbrances

-

Unassigned Fund Balance

276,195.00

1,450,218.45

Reconciliation to Governmental Funds Statements (GAAP)

Last State Aid payment not recognized on GAAP basis

(25,183.00)

Fund Balance per Governmental Funds (GAAP)

1,425,035.45

**Washington Township School District
Required Supplementary Information
Budgetary Comparison Schedule
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022**

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

| | General Fund |
|--|-----------------|
| Sources/inflows of resources | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | \$ 1,173,569.28 |
| Difference - budget to GAAP: | |
| Receipt of prior year final state aid payment | 37,313.00 |
| Deferral of final state aid payment | (25,183.00) |
| Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds | 1,185,699.28 |
| Uses/outflows of resources | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | 1,653,142.15 |
| No differences - budget to GAAP: | |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | \$ 1,653,142.15 |

Required Supplemental Information
Part III

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Washington Township School District
 Schedule of District Contributions
 Public Employee Retirement System
 Last Nine Fiscal Years

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| District's proportion of the net pension liability (asset) | 0.0000000000% | 0.0000000000% | 0.0000000000% | 0.0003625298% | 0.0000288215% | 0.1297972200% | 0.12902886100% | 0.1575840300% | 0.1470511000% |
| District's proportionate of the net pension liability (asset) | \$ - | - | - | 71,380.00 | 6,709.00 | 384,422.00 | 289,643.00 | 295,040.00 | 281,044.00 |
| District's covered payroll | - | - | - | - | - | 92,230.00 | 77,788.00 | 89,007.00 | 103,553.00 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 416.81% | 372.35% | 331.48% | 271.40% |
| Plan fiduciary net position as a percentage of the total pension liability | 70.33% | 58.32% | 56.27% | 53.60% | 48.10% | 40.14% | 47.93% | 52.08% | 48.72% |

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.

Washington Township School District
 Schedule of District Contributions
 Public Employee Retirement System
 Last Nine Fiscal Years

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-------|-------|-------|-------|--------|-----------|-----------|-----------|------------|
| Contractually required contribution | \$ - | - | - | 3,606 | 267.00 | 11,674.00 | 11,531.00 | 11,093.00 | 12,991.00 |
| Contributions in relation to the contractually required contribution | - | - | - | 3,606 | 267.00 | 11,674.00 | 11,531.00 | 11,093.00 | 12,991.00 |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | - |
| District's covered-employee payroll | \$ - | - | - | - | - | 92,230.00 | 77,788.00 | 89,007.00 | 103,553.00 |
| Contributions as a percentage of covered-employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 12.66% | 14.82% | 12.46% | 12.55% |

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.

Washington Township School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund
 Last Nine Fiscal Years

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|--------|--------|--------|------------|--------------|--------------|--------------|--------------|--------------|
| District's proportion of the net pension liability (asset) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| District's proportionate of the net pension liability (asset) | \$ - | - | - | - | - | - | - | - | - |
| State's proportionate share of the net pension liability (asset) associated with the District | - | - | - | 520,827.00 | 2,022,520.00 | 2,047,889.00 | 1,625,477.00 | 1,822,623.00 | 2,960,572.00 |
| Total | - | - | - | 520,827.00 | 2,022,520.00 | 2,047,889.00 | 1,625,477.00 | 1,822,623.00 | 2,960,572.00 |
| District's covered payroll | - | - | - | - | - | 280,814.00 | 272,465.00 | 264,280.00 | N/A |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 35.52% | 24.60% | 26.95% | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% | 33.76% |

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to show information for a 10 year period. However, information is only currently available for nine years. Additional years will be presented as they become available.

Washington Township School District
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Six Fiscal Years

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------|
| District's proportion of the net OPEB liability (asset) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| District's proportionate of the net OPEB liability (asset) | \$ - | - | 0.00 | - | - | - |
| State's proportionate share of the net OPEB liability (asset) associated with the District | <u>2,641,366.00</u> | <u>3,070,415.00</u> | <u>2,244,879.00</u> | <u>2,678,464.00</u> | <u>4,024,517.00</u> | <u>-</u> |
| Total | <u>\$ 2,641,366.00</u> | <u>3,070,415.00</u> | <u>2,244,879.00</u> | <u>2,678,464.00</u> | <u>4,024,517.00</u> | <u>-</u> |
| District's covered payroll | - | - | - | - | - | - |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| State's proportionate share of OPEB associated with the District: | | | | | | |
| Service Cost | - | 6,342.00 | 7,838.00 | 36,504.00 | 43,974.00 | |
| Interest Cost | 68,520.00 | 77,893.00 | 102,678.00 | 144,158.00 | 126,583.00 | |
| Change in Benefit Terms | (2,811.00) | | | | | |
| Differences between Expected & Actual | (445,142.00) | 232,275.00 | (510,704.00) | (1,150,202.00) | - | |
| Changes in Assumptions | 2,606.00 | 560,859.00 | 33,471.00 | (307,367.00) | (498,374.00) | |
| Member Contributions | 1,752.00 | 1,620.00 | 2,043.00 | 2,475.00 | 3,432.00 | |
| Benefit Payments | (53,974.00) | (53,453.00) | (68,911.00) | (71,621.00) | (93,216.00) | |
| Change in Total Opeb Liability | <u>(429,049.00)</u> | <u>825,536.00</u> | <u>(433,585.00)</u> | <u>(1,346,053.00)</u> | <u>(417,601.00)</u> | |
| State's proportionate share of the net OPEB liability (asset) associated with the District - | | | | | | |
| Beginning Balance | <u>3,070,415.00</u> | <u>2,244,879.00</u> | <u>2,678,464.00</u> | <u>4,024,517.00</u> | <u>4,442,118.00</u> | |
| Ending Balance | <u>\$ 2,641,366.00</u> | <u>3,070,415.00</u> | <u>2,244,879.00</u> | <u>2,678,464.00</u> | <u>4,024,517.00</u> | |
| State's proportionate share of the net OPEB liability associated with the District - as a percentage of its covered-employee payroll | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | |

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

Statistical Section

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**Washington Township School District
Net Position by Component,
Last Ten Fiscal Years
Unaudited**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities | | | | | | | | | | |
| Net Investment in Capital Assets | | | | | | | | | | |
| Restricted | \$ 4,277,744.00 | 4,160,818.00 | 4,028,463.00 | 3,898,255.00 | 3,733,708.00 | - | 1,490,815.00 | 1,425,927.66 | 1,635,528.17 | 1,174,023.45 |
| Unrestricted | 615,617.00 | 642,441.00 | 436,899.00 | 413,958.00 | 597,605.00 | 1,115,412.00 | 5,628.59 | 227,553.37 | 166,945.15 | 213,735.00 |
| Total governmental activities net position | 174,614.00 | 168,950.00 | (117,956.00) | (110,608.00) | (101,742.00) | (16,682.00) | 1,496,443.59 | 1,653,481.03 | 1,802,473.32 | 1,387,758.45 |
| | <u>\$ 5,067,975.00</u> | <u>4,972,209.00</u> | <u>4,347,406.00</u> | <u>4,201,605.00</u> | <u>4,229,571.00</u> | <u>1,098,730.00</u> | <u>1,496,443.59</u> | <u>1,653,481.03</u> | <u>1,802,473.32</u> | <u>1,387,758.45</u> |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | | | | | | | | | | |
| Unrestricted | 22,254.00 | 18,784.00 | 15,314.00 | 12,474.00 | 7,195.00 | - | - | - | - | - |
| Unrestricted | 5,748.00 | 3,381.00 | 2,282.00 | (2,092.00) | - | - | - | - | - | - |
| Total governmental activities net position | <u>28,002.00</u> | <u>22,165.00</u> | <u>17,596.00</u> | <u>10,382.00</u> | <u>7,195.00</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| District-wide | | | | | | | | | | |
| Net Investment in Capital Assets | | | | | | | | | | |
| Restricted | 4,299,998.00 | 4,179,602.00 | 4,043,777.00 | 3,910,729.00 | 3,740,903.00 | - | 1,490,815.00 | 1,425,927.66 | 1,635,528.17 | 1,174,023.45 |
| Unrestricted | 615,617.00 | 642,441.00 | 436,899.00 | 413,958.00 | 597,605.00 | 1,115,412.00 | 5,628.59 | 227,553.37 | 166,945.15 | 213,735.00 |
| Total district net position | <u>\$ 180,362.00</u> | <u>172,331.00</u> | <u>(115,674.00)</u> | <u>(112,700.00)</u> | <u>(101,742.00)</u> | <u>(16,682.00)</u> | <u>1,496,443.59</u> | <u>1,653,481.03</u> | <u>1,802,473.32</u> | <u>1,387,758.45</u> |
| | <u>\$ 5,095,977.00</u> | <u>4,994,374.00</u> | <u>4,365,002.00</u> | <u>4,211,987.00</u> | <u>4,236,766.00</u> | <u>1,098,730.00</u> | <u>1,496,443.59</u> | <u>1,653,481.03</u> | <u>1,802,473.32</u> | <u>1,387,758.45</u> |

Source: ACFR Schedule A-1

Washington Township School District
Changes in Net Position, Last Ten Fiscal Years
Unaudited

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 379,457.00 | 405,073.00 | 368,645.00 | 327,184.00 | 27,464.00 | - | - | - | - | - |
| Special Education | 60,563.00 | 42,698.00 | 44,655.00 | 51,526.00 | - | - | - | - | - | - |
| Other Instruction | - | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Tuition | 731,892.00 | 836,390.00 | 1,069,536.00 | 1,089,208.00 | 1,289,114.00 | 1,008,109.00 | 847,758.40 | 1,022,769.40 | 879,670.90 | 1,252,920.10 |
| Student & instruction related services | 159,873.00 | 131,753.00 | 144,543.00 | 148,606.00 | 115,100.00 | 10,355.00 | 17,857.54 | (8,642.96) | (3,040.88) | 8,987.00 |
| General & Business Administrative Services | 36,275.00 | 35,332.00 | 34,307.00 | 38,856.00 | 42,419.00 | 36,622.00 | (10,836.65) | (31,462.20) | (23,057.59) | (50,924.70) |
| School Administrative Services | 12,450.00 | 12,280.00 | 12,200.00 | 12,200.00 | - | - | - | - | - | - |
| Central Services | 17,476.00 | 17,024.00 | 17,991.00 | 17,900.00 | 11,178.00 | 56,548.00 | (30,706.18) | (104,263.90) | (70,148.20) | (115,598.48) |
| Administrative Information Technology | 5,966.00 | 10,704.00 | 10,885.00 | 9,800.00 | 5,000.00 | 13,483.00 | 13,871.00 | 13,642.00 | 14,109.00 | 10,784.50 |
| Plant Operations and Maintenance | 159,905.00 | 166,925.00 | 167,089.00 | 177,569.00 | 146,685.00 | 95,640.00 | 1,753.94 | 1,148.19 | 834.27 | 1,324.52 |
| Pupil transportation | 159,443.00 | 136,001.00 | 136,645.00 | 162,500.00 | 189,506.00 | 152,369.00 | 199,011.98 | 161,284.56 | 271,643.37 | 278,979.21 |
| Employee Benefits | 222,188.00 | 163,123.00 | 254,451.00 | 253,792.00 | 209,230.00 | 191,133.00 | - | - | - | - |
| Unallocated Increase in Compensated Absences | - | - | - | - | - | - | - | - | - | - |
| Unallocated Depreciation and Amortization | 136,448.00 | 136,448.00 | 135,605.00 | 135,605.00 | 159,150.00 | 43,896.00 | 18,840.00 | 18,840.00 | 18,840.00 | 18,840.00 |
| Capital Outlay | - | - | - | - | - | - | - | - | - | - |
| Transfer to Charter Schools | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities expenses | <u>2,081,936.00</u> | <u>2,093,751.00</u> | <u>2,396,552.00</u> | <u>2,424,746.00</u> | <u>2,091,256.00</u> | <u>1,608,157.00</u> | <u>1,057,550.03</u> | <u>1,073,315.09</u> | <u>1,088,850.87</u> | <u>1,405,312.15</u> |
| Business-Type Activities | | | | | | | | | | |
| Food Service | 22,773.00 | 18,447.00 | 19,475.00 | 20,402.00 | 5,279.00 | 7,195.00 | - | - | - | - |
| Total Business-Type Activities | <u>22,773.00</u> | <u>18,447.00</u> | <u>19,475.00</u> | <u>20,402.00</u> | <u>5,279.00</u> | <u>7,195.00</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total district expenses | <u>2,104,709.00</u> | <u>2,112,198.00</u> | <u>2,416,027.00</u> | <u>2,445,148.00</u> | <u>2,096,535.00</u> | <u>1,615,352.00</u> | <u>1,057,550.03</u> | <u>1,073,315.09</u> | <u>1,088,850.87</u> | <u>1,405,312.15</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Operating grants and contributions | 220,218.00 | 203,340.00 | 174,141.00 | 163,405.00 | 188,667.00 | 248,712.00 | (61,453.99) | (175,360.00) | (120,223.00) | (195,102.00) |
| Total governmental activities program revenues | <u>220,218.00</u> | <u>203,340.00</u> | <u>174,141.00</u> | <u>163,405.00</u> | <u>188,667.00</u> | <u>248,712.00</u> | <u>(61,453.99)</u> | <u>(175,360.00)</u> | <u>(120,223.00)</u> | <u>(195,102.00)</u> |
| Business-Type Activities | | | | | | | | | | |
| Charged for Services: | | | | | | | | | | |
| Food Service | 4,108.00 | 5,188.00 | 7,864.00 | 6,527.00 | 2,092.00 | - | - | - | - | - |
| Operating grants and Contributions | 7,497.00 | 7,422.00 | 7,042.00 | 6,661.00 | - | - | - | - | - | - |
| Total Business-Type Activities Program Revenues | <u>11,605.00</u> | <u>12,610.00</u> | <u>14,906.00</u> | <u>13,188.00</u> | <u>2,092.00</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total District Program Revenues | <u>231,823.00</u> | <u>215,950.00</u> | <u>189,047.00</u> | <u>176,593.00</u> | <u>190,759.00</u> | <u>248,712.00</u> | <u>(61,453.99)</u> | <u>(175,360.00)</u> | <u>(120,223.00)</u> | <u>(195,102.00)</u> |

Washington Township School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Restricted | \$ 466,957.00 | 371,794.00 | 279,974.00 | 395,030.00 | 575,488.00 | 1,115,412.00 | 1,476,918.00 | 1,409,430.66 | 1,615,058.83 | 1,145,200.62 |
| Assigned | 139,157.00 | 261,144.00 | 147,422.00 | 9,425.00 | 12,614.00 | 29,996.00 | 13,897.00 | 16,497.00 | 20,469.34 | 28,822.83 |
| Unassigned | 194,753.00 | 190,069.00 | 193,447.00 | 196,239.00 | 204,982.00 | 203,560.00 | 212,883.59 | 223,392.00 | 241,510.00 | 251,012.00 |
| Reserved | | | | | | | | | | |
| Unreserved | | | | | | | | | | |
| Total general fund | <u>800,867.00</u> | <u>823,007.00</u> | <u>620,843.00</u> | <u>600,694.00</u> | <u>793,084.00</u> | <u>1,348,968.00</u> | <u>1,703,698.59</u> | <u>1,649,319.66</u> | <u>1,877,038.17</u> | <u>1,425,035.45</u> |
| All Other Governmental Funds: | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Unreserved, Reported In: | | | | | | | | | | |
| Capital Projects Fund | | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| Capital Projects Fund | 9,503.00 | 9,503.00 | 9,503.00 | 9,503.00 | 9,503.00 | - | | | | |
| Total All Other Governmental Funds | <u>\$ 9,503.00</u> | <u>9,503.00</u> | <u>9,503.00</u> | <u>9,503.00</u> | <u>9,503.00</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Source: ACFR Schedule B-1

Washington Township School District
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 1,187,766.00 | 1,206,765.00 | 1,226,145.00 | 1,420,963.00 | 1,235,154.00 | 1,235,154.00 | 865,303.00 | 829,505.00 | 829,505.00 | 829,505.00 |
| Miscellaneous | 44.00 | 6,924.00 | 504.00 | 827.00 | 12,860.00 | 17,585.00 | 15,946.61 | 16,393.53 | 52,731.06 | 1,957.28 |
| Local sources | 2,391.00 | 723,310.00 | 1,185.00 | 1,688.00 | 2,600.00 | 2,393.00 | 635,468.00 | 559,814.00 | 472,143.00 | 351,490.00 |
| State sources | 731,747.00 | 708,715.00 | 708,715.00 | 760,754.00 | 744,483.00 | 694,772.00 | 635,468.00 | 559,814.00 | 472,143.00 | 351,490.00 |
| Federal sources | 32,437.00 | 60,986.00 | 32,074.00 | 41,124.00 | 3,986.00 | - | - | - | - | - |
| Total revenue | 1,954,385.00 | 1,997,985.00 | 1,968,623.00 | 2,225,356.00 | 1,999,093.00 | 1,949,904.00 | 1,516,717.61 | 1,405,712.53 | 1,354,379.06 | 1,182,952.28 |
| Expenditures | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 379,457.00 | 405,073.00 | 368,645.00 | 327,184.00 | 27,464.00 | - | - | - | - | - |
| Special Educator | 60,563.00 | 42,698.00 | 44,655.00 | 51,526.00 | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Tuition | 731,892.00 | 836,390.00 | 1,069,536.00 | 1,089,208.00 | 1,289,114.00 | 1,008,109.00 | 847,758.40 | 1,022,769.40 | 879,670.90 | 1,252,920.10 |
| Student & instruction related services | 159,873.00 | 131,753.00 | 144,543.00 | 148,606.00 | 11,510.00 | 10,355.00 | 8,800.00 | 5,125.00 | 5,753.00 | 8,987.00 |
| General & Business Administration Services | 36,275.00 | 35,332.00 | 34,307.00 | 38,856.00 | 42,419.00 | 36,622.00 | 18,129.26 | 19,112.71 | 17,728.01 | 24,150.34 |
| School Administrative Services | 12,450.00 | 12,280.00 | 12,200.00 | 12,200.00 | - | - | - | - | - | - |
| Central Services | 17,476.00 | 17,024.00 | 17,991.00 | 17,900.00 | 11,178.00 | 56,548.00 | 51,367.88 | 63,338.42 | 53,934.00 | 54,821.00 |
| Administrative Information Technology | 5,966.00 | 10,704.00 | 10,885.00 | 9,800.00 | 5,000.00 | 13,483.00 | 13,871.00 | 13,642.00 | 14,109.00 | 10,784.50 |
| Plant Operations and Maintenance | 147,687.00 | 167,607.00 | 148,249.00 | 158,729.00 | 127,845.00 | 76,800.00 | 4,208.50 | 3,660.00 | 3,660.00 | 3,660.00 |
| Pupil transportation | 159,443.00 | 136,001.00 | 136,645.00 | 162,500.00 | 189,506.00 | 152,369.00 | 189,011.98 | 161,284.56 | 271,643.37 | 278,979.21 |
| Unallocated Benefits | 221,282.00 | 162,143.00 | 161,041.00 | 210,156.00 | 83,827.00 | 1,300.00 | - | - | - | - |
| On-Behalf TPAF Pension & Social Security | - | - | - | - | - | 20,324.00 | - | - | - | - |
| Capital Outlay | 12,218.00 | 18,840.00 | 22,090.00 | 18,840.00 | 18,840.00 | 18,840.00 | 18,840.00 | 18,840.00 | 18,840.00 | 18,840.00 |
| Charter Schools | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | 1,944,582.00 | 1,975,845.00 | 2,170,787.00 | 2,245,505.00 | 1,806,703.00 | 1,394,750.00 | 1,161,987.02 | 1,307,772.09 | 1,265,338.28 | 1,653,142.15 |
| Excess (Deficiency) of revenues over (under) expenditures | 9,803.00 | 22,140.00 | (202,164.00) | (20,149.00) | 192,390.00 | 555,154.00 | 354,730.59 | 97,940.44 | 89,040.78 | (470,189.87) |
| Other Financing sources (uses) | | | | | | | | | | |
| Transfers In/(Out) | - | - | - | - | - | 730.00 | - | - | - | - |
| Return of Contribution from Township | - | - | - | - | - | (9,503.00) | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | (8,773.00) | - | - | - | - |
| Net change in fund balances | \$ 9,803.00 | 22,140.00 | (202,164.00) | (20,149.00) | 192,390.00 | 546,381.00 | 354,730.59 | 97,940.44 | 89,040.78 | (470,189.87) |

Source: ACFR Schedule B-2

Washington Township School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Interest on Investments | Donations | Misc. | Total |
|-------------------------------|----------------------------|-----------|-----------|-----------|
| 2013 | - | - | 44.00 | 44.00 |
| 2014 | - | - | 6,924.00 | 6,924.00 |
| 2015 | - | - | 504.00 | 504.00 |
| 2016 | - | - | 827.00 | 827.00 |
| 2017 | - | - | 12,860.00 | 12,860.00 |
| 2018 | 2,745.00 | - | 14,840.00 | 17,585.00 |
| 2019 | 14,080.00 | - | 1,866.00 | 15,946.00 |
| 2020 | 14,322.06 | - | 2,071.85 | 16,393.91 |
| 2021 | 2,921.06 | - | 49,810.00 | 52,731.06 |
| 2022 | 1,957.28 | - | - | 1,957.28 |

Source: District Records

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

| Fiscal Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Q/farm | Commercial | Industrial | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities a | Net Valuation Taxable | Total Direct School Tax Rate b | Estimated Actual (County Equalized Value) |
|----------------------------|-------------|-------------|-----------|-----------|------------|------------|----------------------|---------------------------|--------------------|-----------------------|--------------------------------|---|
| | | | | | | | | | | | | |
| 2013 | 4,035,200 | 89,246,300 | 9,679,500 | 1,653,600 | 14,903,400 | 2,099,400 | 121,617,400 | | 259,541 | 121,876,941 | 0.819 | |
| 2014 | 3,331,200 | 68,504,600 | 8,059,400 | 1,692,400 | 12,580,400 | 1,715,000 | 95,883,000 | | 259,541 | 96,142,541 | 1.126 | |
| 2015 | 3,293,700 | 68,814,800 | 7,989,000 | 1,692,400 | 12,580,400 | 1,715,000 | 96,085,300 | | 285,655 | 96,350,955 | 1.231 | |
| 2016 | 3,453,300 | 68,521,600 | 7,989,000 | 1,692,400 | 12,580,400 | 1,715,000 | 95,951,700 | 100 | | 95,951,800 | 1.342 | |
| 2017 | 3,652,000 | 69,041,300 | 6,673,000 | 1,692,400 | 12,580,400 | 1,715,000 | 95,354,100 | 100 | | 95,354,200 | 1.295 | 90,074,325 |
| 2018 | 3,571,400 | 68,680,150 | 6,706,200 | 1,692,400 | 12,580,400 | 1,715,000 | 94,945,550 | 100 | | 94,945,650 | 1.080 | 92,227,361 |
| 2019 | 3,230,100 | 68,988,800 | 6,746,900 | 1,702,400 | 12,280,400 | 1,715,000 | 94,673,600 | 100 | | 94,673,700 | 0.869 | 90,833,611 |
| 2020 | 3,197,300 | 69,526,200 | 6,671,900 | 1,744,200 | 12,180,400 | 1,715,000 | 95,035,094 | 94 | | 95,035,094 | 0.847 | 102,397,488 |
| 2021 | 3,217,300 | 69,311,700 | 6,818,000 | 1,725,000 | 12,180,400 | 1,715,000 | 94,967,400 | 89 | | 94,967,489 | 0.847 | 108,764,454 |
| 2022 | 3,208,300 | 69,688,500 | 6,782,500 | 2,192,900 | 12,180,400 | 1,715,000 | 95,767,600 | 85 | | 95,767,685 | 1.279 | 114,083,283 |

Source: District records Tax list summary & Municipal Tax Assessor.

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

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Washington Township School District
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Calendar Years
Unaudited

| Fiscal Year Ended June 30, | Washington Township School District | | | Overlapping Rates | | Total Direct and Overlapping Tax Rate |
|-------------------------------------|-------------------------------------|------------------------------|--------------|---------------------------|----------------------|--|
| | Basic Rate a | General | | Township of Washington | Burlington County | |
| | | Obligation Debt Service b | Total Direct | | | |
| 2013 | 0.819 | | 0.819 | | 0.334 | 1.153 |
| 2014 | 1.126 | | 1.126 | | 0.383 | 1.509 |
| 2015 | 1.231 | | 1.231 | | 0.777 | 2.008 |
| 2016 | 1.342 | | 1.342 | | 0.397 | 1.739 |
| 2017 | 1.295 | | 1.295 | | 0.384 | 1.679 |
| 2018 | 1.080 | | 1.080 | | 0.389 | 1.469 |
| 2019 | 0.869 | | 0.869 | | 0.382 | 1.251 |
| 2020 | 0.847 | | 0.847 | | 0.425 | 1.272 |
| 2021 | 0.847 | | 0.847 | | 0.449 | 1.296 |
| 2022 | 0.831 | | 0.831 | | 0.448 | 1.279 |

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation 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.

**Washington Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago
*Unaudited***

| | 2022 | | | 2013 | | |
|------------------------------------|------------------------|-----------------|--|------------------------|---------------------------|--|
| | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value |
| M&T Family Holdings, LLC | 4,140,500 | 1 | 4.3235% | | | |
| EFRV LLC | 3,935,000 | 2 | 4.1089% | | | |
| Pine Island Cranberry Co Inc. | 3,898,600 | 3 | 4.0709% | | | |
| Lippincott & Worth Inc | 1,365,100 | 4 | 1.4254% | | | |
| Taxpayer #1 | 1,290,000 | 5 | 1.3470% | | | |
| Pine Island Cranberry Co Inc. | 1,020,700 | 6 | 1.0658% | | | |
| Pacemaker Properties, LTD | 1,015,000 | 7 | 1.0599% | | | |
| Taxpayer #2 | 741,900 | 8 | 0.7747% | | | |
| Vision Properties, Lower Bank Part | 675,000 | 9 | 0.7048% | | | |
| Taxpayer #3 | 597,600 | 10 | 0.6240% | | | |
| | | | | | Information not available | |
| Total | 18,679,400 | | 19.505% | - | | 0.000% |

Source: District ACFR & Municipal Tax Assessor

95,767,685

Washington Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|-------------------------------------|--|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2013 | 1,187,766.00 | 1,187,766.00 | 100% | |
| 2014 | 1,206,765.00 | 1,206,765.00 | 100% | |
| 2015 | 1,226,145.00 | 1,226,145.00 | 100% | |
| 2016 | 1,420,963.00 | 1,420,963.00 | 100% | |
| 2017 | 1,235,154.00 | 1,235,154.00 | 100% | |
| 2018 | 1,235,154.00 | 1,235,154.00 | 100% | |
| 2019 | 865,303.00 | 793,194.38 | 92% | 72,108.62 |
| 2020 | 829,505.00 | 829,505.00 | 100% | |
| 2021 | 829,505.00 | 829,505.00 | 100% | |
| 2022 | 829,505.00 | 829,505.00 | 100% | |

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

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

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

| Fiscal Year Ended June 30, | Governmental Activities | | | Business-Type Activities | | Total District | Percentage of Personal Income a | Per Capita a |
|----------------------------|----------------------------|-------------------------------|----------------|--------------------------------|----------------|----------------|---------------------------------|--------------|
| | General Obligation Bonds b | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | | | |
| 2013 | | | | | | | | |
| 2014 | | | | | | | | |
| 2015 | | | | | | | | |
| 2016 | | | | | | | | |
| 2017 | | | | | | | | |
| 2018 | | | | | | | | |
| 2019 | | | | | | | | |
| 2020 | | | | | | | | |
| 2021 | | | | | | | | |
| 2022 | | | | | | | | |

Not applicable - the district does not have any debt

Washington Township School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | <u>General Bonded Debt Outstanding</u> | | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value a of Property | Per Capita b |
|-------------------------------------|--|------------|---|---|--------------|
| | General Obligation Bonds | Deductions | | | |
| 2013 | | | | | |
| 2014 | | | | | |
| 2015 | | | | | |
| 2016 | | | | | |
| 2017 | | | | | |
| 2018 | | | | | |
| 2019 | | | | | |
| 2020 | | | | | |
| 2021 | | | | | |
| 2022 | | | | | |

Not applicable - the district does not have any debt

Washington Township School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2022
Unaudited

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable a</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-------------------------|--|--|
| Debt repaid with property taxes | | | |
| Washington Township | - | 100.000% | - |
| Other debt | | | |
| County of Burlington | 182,924,161 | 0.22% | 395,814 |
| Subtotal, overlapping debt | | | 395,814 |
| Washington Township School District | | | - |
| Total direct and overlapping debt | | | 395,814 |

Sources: Township of Washington Finance Officer, Burlington County Finance Office

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

Washington Township School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2021

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019* | 2020 | 2021 | 2022 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-------|--------------|--------------|--------------|
| Debt limit | 4,236,503.00 | 4,106,488.00 | 4,023,519.00 | 3,694,979.00 | 2,765,981.00 | 2,726,231.00 | - | 2,811,558.39 | 2,967,302.55 | 3,182,839.53 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | 4,236,503.00 | 4,106,488.00 | 4,023,519.00 | 3,694,979.00 | 2,765,981.00 | 2,726,231.00 | - | 2,811,558.39 | 2,967,302.55 | 3,182,839.53 |
| Total net debt applicable to the limit as a percentage of debt limit | - | - | - | - | - | - | - | - | - | - |

| | 2019 | 2020 | 2021 |
|---|----------------|----------------|----------------|
| Equalized valuation basis | 100,257,969.00 | 106,901,012.00 | 111,124,971.00 |
| [A] | 318,283,952.00 | | |
| [A/3] | 106,094,651.00 | | |
| Debt limit (3% of average equalization vs Net bonded school debt) | 3,182,839.53 | | |
| [B] | 3,182,839.53 | | |
| [C] | - | | |
| [B-C] | 3,182,839.53 | | |

* 2019 information not available

Not applicable - the district does not have any debt

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

a The district is non-operating and does not have an applicable debt allowance

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

| Year | Population a | Personal Income (thousands of dollars) b | Per Capita Personal Income c | Unemployment Rate d |
|------|--------------|---|------------------------------------|------------------------|
| 2013 | 684 | 34,977,024 | 51,136 | 1.60% |
| 2014 | 673 | 35,563,339 | 52,843 | 5.70% |
| 2015 | 673 | 37,251,223 | 55,351 | 7.60% |
| 2016 | 671 | 38,120,852 | 56,812 | 6.70% |
| 2017 | 692 | 38,933,304 | 56,262 | 6.20% |
| 2018 | 706 | 40,808,212 | 57,802 | 6.20% |
| 2019 | 709 | 42,106,801 | 59,389 | 5.80% |
| 2020 | 711 | 44,167,320 | 62,120 | 4.60% |
| 2021 | 712 | 45,286,760 | 63,605 | 9.50% |
| 2022 | 691 | 46,403,414 | 67,154 | 6.70% |

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development - most recent information is as of 7/1/08

b Personal income provided by the US Dept. of Commerce, Bureau of Economic Analysis.

c Per Capita information provided by the US Dept. of Commerce, Bureau of Economic Analysis - most recent information is as of 7/1/08

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

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

Unaudited

| <u>Function/Program</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction | | | | | | | | | | |
| Regular | 3.93 | 4.47 | 4.47 | 4.47 | - | - | - | - | - | - |
| Special education | 0.68 | 0.68 | 0.68 | 0.68 | - | - | - | - | - | - |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 1.00 | 0.96 | 1.00 | 1.00 | - | - | - | - | - | - |
| General administrative services | 0.50 | 0.50 | 0.50 | 0.50 | - | - | - | - | - | - |
| School administrative services | 0.50 | 0.50 | 0.50 | 0.50 | - | - | - | - | - | - |
| Plant operations and maintenance | 1.00 | 1.00 | 1.00 | 1.00 | - | - | - | - | - | - |
| Pupil transportation | 1.00 | | | | | | | | | |
| Food Service | | | | | | | | | | |
| Total | 8.61 | 8.11 | 8.15 | 8.15 | - | - | - | - | - | - |

Source: District Personnel Records

Washington Township School District
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

| Fiscal Year | Enrollment | Operating Expenditures a | Cost Per Pupil | Percentage Change | Teaching Staff b | Pupil/Teacher Ratio | | Average Daily Enrollment (ADE) c | Average Daily Attendance (ADA) c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|--------------------------|----------------|-------------------|------------------|---------------------|---------------|----------------------------------|----------------------------------|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | | | | |
| 2013 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2014 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2015 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2016 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2017 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2018 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2019 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2020 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2021 | - | - | - | 0.00% | - | - | - | - | - | - | - |
| 2022 | - | - | - | 0.00% | - | - | - | - | - | - | - |

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

The district is non-operating, and does not have ADE or ADA

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-
- b Not required Sending District
- c Not required Sending District

**Washington Township School District
School Building Information
Last Ten Fiscal Years
Unaudited**

| | 2013 | 2014 | 2015 | 2016 | 2017* | 2018** | 2019 | 2020 | 2021 | 2022 |
|--------------------------|--------|--------|--------|--------|--------|--------|------|------|------|------|
| Green Bank School (2006) | | | | | | | | | | |
| Square Feet | 25,321 | 25,321 | 25,321 | 25,321 | 25,321 | 25,321 | N/A | N/A | N/A | N/A |
| Capacity (Students) | 250 | 250 | 250 | 250 | 250 | N/A | N/A | N/A | N/A | N/A |
| Enrollment PK-8 | 37 | 31 | 42 | 36 | - | N/A | N/A | N/A | N/A | N/A |

Source: District records, ASSA

Note: Enrollment is based on the annual October district count

* - Washington Township School District became a non-operating school district

** - The Green Bank School was sold during 2017-2018 school year

Washington Township School District
 General Fund
 Schedule of Required Maintenance for School Facilities
 Last Nine Years
Unaudited

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

| School Facilities | Project # (s) | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------------|---------------|------|------|------|------|----------|-----------|-----------|-----------|-----------|
| Green Bank Elementary School | | - | - | - | - | 2,040.00 | 13,532.00 | 31,573.00 | 16,828.00 | 18,966.00 |
| Total School Facilities | | - | - | - | - | 2,040.00 | 13,532.00 | 31,573.00 | 16,828.00 | 18,966.00 |
| Other Facilities | | | | | | | | | | |
| Grand Total | | - | - | - | - | 2,040.00 | 13,532.00 | 31,573.00 | 16,828.00 | 18,966.00 |

District building was sold during the 2018 year.

**Washington Township School District
Insurance Schedule
June 30, 2022
Unaudited**

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-----------------|-------------------|
| School Package Policy: | | |
| Property | | |
| Blanket Coverage for Building and Contents | \$ 5,456,500 | 1,000 |
| Extra Expense | 50,000,000 | 1,000 |
| Papers and Records | 10,000,000 | 1,000 |
| Electronic Hardware and Software | 75,000 | 1,000 |
| General Liability | 6,000,000 | N/A |
| Medical Expense Limit | 10,000 | 1,000 |
| Employee Benefits Liability | 6,000,000 | N/A |
| Automobile | 6,000,000 | N/A |
| Sexual Abuse Liability | 6,000,000 | N/A |
| School Board Legal Liability | 5,000,000 | 1000 |
| Boiler and Machinery | 100,000,000 | 1,000 |
| Surety Bonds: | | |
| Treasurer | 130,000 | |
| Board Secretary/Business Administrator | 100,000 | |

Source: District Records

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Township School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Washington Township School District's basic financial statements, and have issued our report thereon dated March 10, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

March 10, 2023

WASHINGTON TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2022

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2021 | | | Balance at June 30, 2022 | | | MEMO | | | |
|---|-------------------------------|--------------|--------------|--------------------------------------|------------------|----------------|--------------------------|------------------------|-----------------------|------------------|----------------|----------------------|-------------------------------|
| | | | | Deferred Revenue/ (Accts Receivable) | Carryover Amount | Due to Grantor | Cash Received | Budgetary Expenditures | (Accounts Receivable) | Deferred Revenue | Due to Grantor | Budgetary Receivable | Cumulative Total Expenditures |
| State Department of Education | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| Transportation Aid | 22-495-034-5120-014 | 7/1/2021 | 6/30/2022 | \$ 83,884 | | | 83,884 | (83,884) | - | - | - | 6,745 | 83,884 |
| State Aid Public Cluster: | | | | | | | | | | | | | |
| Agilement Aid | 22-495-034-5120-085 | 7/1/2021 | 6/30/2022 | 21,471 | | | 21,471 | (21,471) | - | - | - | 1,727 | 21,471 |
| Special Education Aid | 22-495-034-5120-086 | 7/1/2021 | 6/30/2022 | 5,670 | | | 5,670 | (5,670) | - | - | - | 4,758 | 5,670 |
| State Education Aid | 22-495-034-5120-084 | 7/1/2021 | 6/30/2022 | 9,777 | | | 9,777 | (9,777) | - | - | - | 1,768 | 9,777 |
| Equalization Aid | 22-495-034-5120-078 | 7/1/2021 | 6/30/2022 | 145,473 | | | 145,473 | (145,473) | - | - | - | 11,698 | 145,473 |
| Total State Aid Public Cluster | | | | 28,243 | | | 28,243 | (28,243) | | | | 18,438 | 28,243 |
| Extraordinary Aid | 21-495-034-5120-044 | 7/1/2020 | 6/30/2021 | 28,243 | (28,243) | | | | | | | (25,905) | 28,243 |
| Extraordinary Aid | 22-495-034-5120-044 | 7/1/2021 | 6/30/2022 | 25,905 | | | | | (25,905) | | | | 25,905 |
| Non-Public Transportation Aid | 21-495-034-5120-014 | 7/1/2020 | 6/30/2021 | 580 | (580) | | 580 | (290) | | | | | 580 |
| Non-Public Transportation Aid | 22-495-034-5120-014 | 7/1/2021 | 6/30/2022 | 290 | | | | | | | | | 290 |
| Total General Fund | | | | (28,823) | | | 341,408 | (339,360) | (26,195) | | | 25,183 | 367,863 |
| Total State Financial Assistance | | | | (28,823) | | | 341,408 | (339,360) | (26,195) | | | 25,183 | 367,893 |

NOTE 1. GENERAL

The accompanying schedules of expenditures of state financial assistance include state award activity of the Washington Township School District. The Board of Education is defined in Note 1 to the Board's general-purpose financial statements. All state awards received directly from federal and state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of state financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the Board's general-purpose financial statements. The District has elected not to use the 10% de minimus indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$12,130 for the general fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund. Awards and financial assistance revenues are reported in the Board's general-purpose financial statements on a GAAP basis as follows:

**Washington Township School District
Notes to the Schedules of Expenditures of State Financial Assistance
June 30, 2022**

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| | <u>State Assistance</u> |
|--|-------------------------|
| | <u>General Fund</u> |
| Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Financial Assistance | \$ 339,360.00 |
| Difference-budget to "GAAP" | |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes | 37,313.00 |
| The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) | <u>(25,183.00)</u> |
| Total revenue as reported on the statement of revenues, expenditures and changes in fund balances | <u>\$ 351,490.00</u> |

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I -- Summary of Auditor's Results

Financial Statement

| | | | | |
|---|-------|------------|---------------|----|
| Type of auditor's report issued | | Unmodified | | |
| <hr/> | | | | |
| Internal control over financial reporting: | | | | |
| • Material weakness(es) identified? | _____ | yes | _____ X _____ | no |
| • Significant deficiency(ies) identified? | _____ | yes | _____ X _____ | no |
| Noncompliance material to financial statements noted? | _____ | yes | _____ X _____ | no |

Federal Awards - N/A

| | | | | |
|---|-------|-----|-------|---------------|
| Internal Control over major programs: | | | | |
| • Material weakness(es) identified? | _____ | yes | _____ | no |
| • Significant deficiency(ies) identified? | _____ | yes | _____ | none reported |

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ yes _____ no

Identification of major programs:

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

Dollar Threshold used to distinguish between type A and type B programs: \$ _____

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

State Awards - N/A

Internal Control over major programs:

- Material weakness(es) identified? _____ yes _____ no
- Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 15-08

_____ yes _____ no

Identification of major programs:

| <u>GMIS Number(s)</u> | <u>Name of State Program</u> |
|-----------------------|------------------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Dollar Threshold used to distinguish between type A and type B programs:

\$ _____

Auditee qualified as low-risk auditee?

_____ yes _____ no

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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SCHEDULE OF FINANCIAL STATEMENT FINDINGS

NONE

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STATUS OF PRIOR YEAR FINDINGS

NONE