

**SCHOOL DISTRICT
OF
WASHINGTON TOWNSHIP**

**Washington Township School District
Long Valley, New Jersey**

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

**Annual Comprehensive
Financial Report**

of the

Washington Township School District

Long Valley, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

**Washington Township School District
Business Office**

WASHINGTON TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

Washington Township Board of Education

53 West Mill Road, Long Valley, NJ 07853

Phone: 908-876-4172

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Peter Turnamian, Ed. D.
Superintendent

Liz George, CPA
Business Administrator

February 3, 2023

The Honorable President and Members of
the Board of Education
Washington Township School District
Long Valley, New Jersey 07853

Dear Board Members and Constituents:

The annual comprehensive financial report of the Washington Township School District (the "District") for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Washington Township Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements 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 management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction overview and analysis of the basic financial statements. It is intended to complement this letter of transmittal and should be read in conjunction with it.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the MD&A, the basic financial statements and notes providing an overview of the District's financial position and operating results and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, financial trends and fiscal capacity, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are 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 Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Washington Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2021-22 fiscal year with an enrollment of 1,923 students, which is a decrease of 32 students from the previous year's enrollment.

The District has had significant enrollment declines over the past 10 years; however, enrollment is now projected to stabilize. Students in grades K thru 5 are served in 3 neighborhood schools while students in grades 6 thru 8 are served in the centrally located middle school. While the first school was built in 1949 and the last in 2006 the District takes great pride in maintaining all buildings to meet the educational needs of the student population.

2) ECONOMIC CONDITION AND OUTLOOK: Washington Township is situated approximately 90 minutes west of New York City. Incorporated in 1798 and named for George Washington it is one of ten communities statewide named for the nation's first President. The Township comprises approximately 45 square miles and represents a blend of historic, farming and bucolic elements that make the area highly attractive from a quality of life perspective. Its citizens are highly supportive of the schools and very involved in the abundance of activities offered by community organizations. The Township is primarily residential with a very small commercial center and limited commercial activities. This is not expected to change. A large amount of undeveloped property has been placed in the farmland preservation program. It is not anticipated that there will be major fluctuations in the tax base.

As of the 2010 United States Census, there are 18,533 people, 6,237 households and 5,195 families residing in the township. With a median household income of \$112,651 and only .9% of the population living below the poverty line, the district has been classified by the New Jersey State Department of Education as an "I" district for the District Factor Group (DFG) reporting. The DFG, which also factors in property value, educational background and occupational status is an indicator of the socioeconomic status of citizens in each district. The District's classification places it in the highest 20% of New Jersey Districts.

The District has the appropriate facilities to meet the educational and support needs of its student population; therefore, there are currently no plans for expansion of our schools. As the student population has declined the District has been able to enhance programs offered to students in district facilities, reducing reliance on tuition based services and stabilizing costs. The District continues to utilize financing for major equipment purchases in the areas of technology and transportation due to the current interest environment but will re-evaluate should current financial markets change. While nationally Charter Schools have become popular, the district has seen limited use of this alternative education source having just two students choose this option in the past school year.

3) MAJOR INITIATIVES: The Washington Township Schools offer a diverse and challenging curriculum that is reviewed on a continual cycle to ensure that it is meeting the needs of the students. Equally important is the emphasis placed on socio-emotional needs, character, and respectfulness. Each of the District schools seeks to offer an environment that is free from bullying and rich with experiences that nurture the whole child. The District continues its focus on enhancing technology for both staff and students. Network infrastructure upgrades have been completed as well as updates to mobile technology district wide. The District places great emphasis on the maintenance of school buildings and has recently completed a facility assessment in order to determine future capital projects for inclusion in the District's Long Range Facility Plan.

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted by the Board of Education, after initial approval by the New Jersey State Department of Education and holding a public hearing for the local taxpayers, for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. All budget amendments are approved as necessary by the Board of Education.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2022.

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

7) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The independent auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

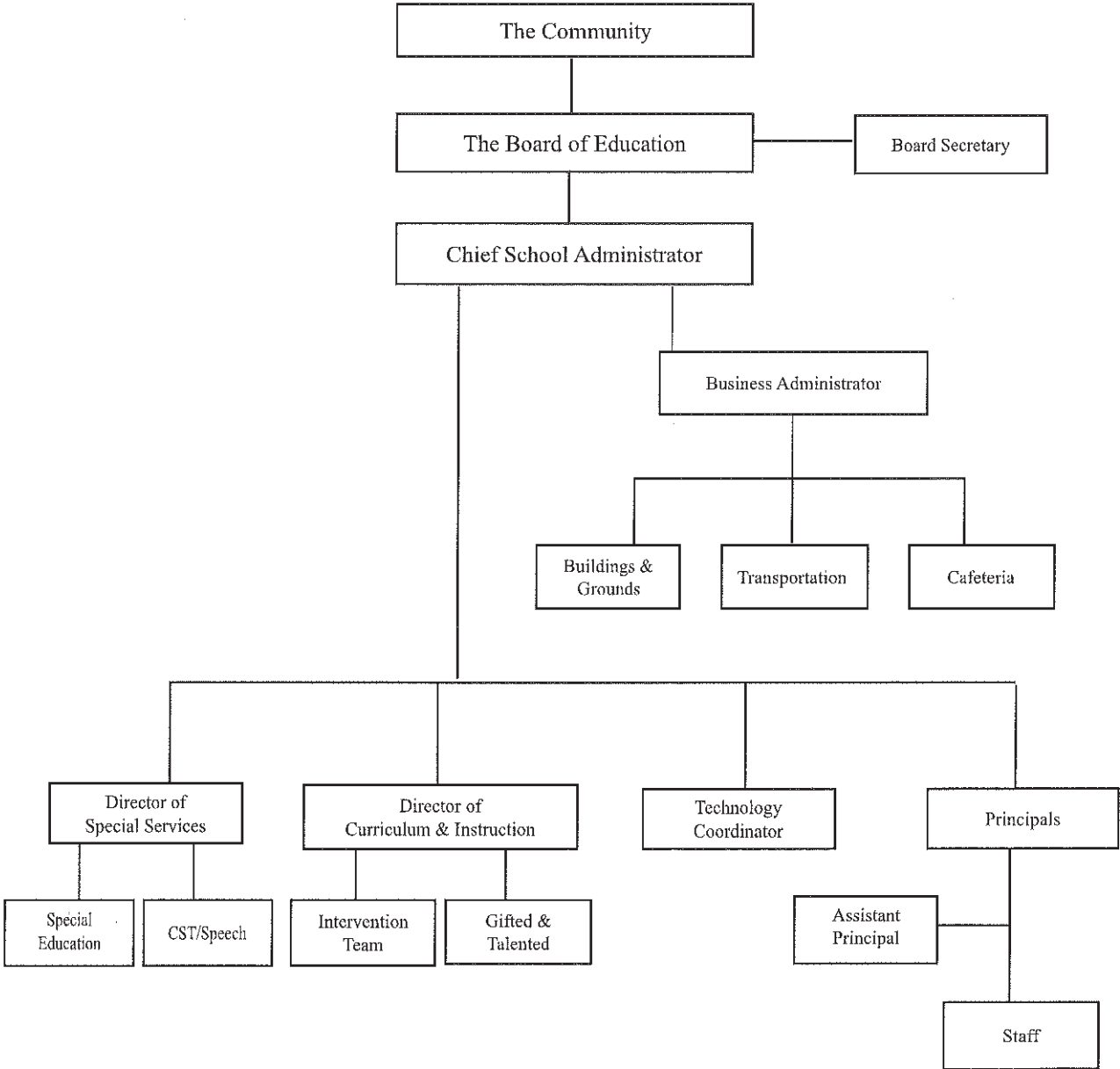
8) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Washington Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

Peter Turnamian
Peter Turnamian, Ed. D.
Superintendent

Elizabeth George
Elizabeth George, CPA
Business Administrator/Board Secretary

*Washington Township School District
Long Valley, New Jersey 07853*



**WASHINGTON TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jessica DeCicco, President	2022
Kelly DeMayo, Vice President	2022
Carmine Capogrosso	2024
Jason Koestenblatt	2023
Kiera Mitchell	2022
Jill Mucerino	2023
Cindy Ruggiero	2024
Robert Waskis	2024
Stephanie Wilson	2023

<u>Other Officers</u>	<u>Title</u>
Peter Turnamian, Ed. D	Superintendent of Schools
Elizabeth George, CPA	Board Secretary/School Business Administrator

WASHINGTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Nisivoccia LLP
200 Valley Road Suite 300
Mount Arlington, NJ 07856

Attorney

Fogarty & Hara
21-00 Route 208 South, Suite 301
Fair Lawn, NJ 07410

Official Depository

Valley National Bank
342 Route 46 West
Budd Lake, NJ 07828

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the 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 Board of Education (the "District"), in the County of Morris, as of and for the fiscal 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 accompanying 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 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), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 misstatement, 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 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 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 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 judgment 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, we:

- exercise professional judgment 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 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 District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are 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 District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

February 3, 2023
Mount Arlington, New Jersey

NISIVOCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section of Washington Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

**Figure A-1
Organization of Washington Township School District’s Financial Report**

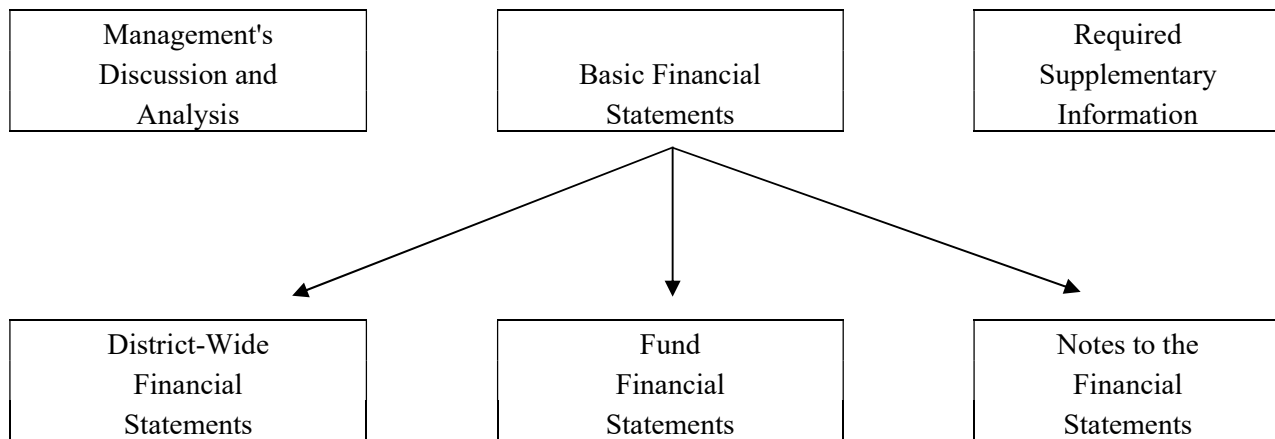


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

Notes to the basic financial statements: The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net position. The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a school’s financial position.

**Figure A-3
Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	
Assets:							
Current and							
Other Assets	\$ 9,786,394	\$ 6,152,662	\$ (107,505)	\$ 219,788	\$ 9,678,889	\$ 6,372,450	
Capital Assets, Net	40,828,793	41,530,071	14,568	13,624	40,843,361	41,543,695	
Total Assets	50,615,187	47,682,733	(92,937)	233,412	50,522,250	47,916,145	-5.16%
Deferred Outflows of Resources							
	1,667,325	868,541			1,667,325	868,541	-47.91%
Liabilities:							
Long-Term Liabilities	16,860,811	12,934,983			16,860,811	12,934,983	
Other Liabilities	5,213,227	998,685	42,353	40,477	5,255,580	1,039,162	
Total Liabilities	22,074,038	13,933,668	42,353	40,477	22,116,391	13,974,145	-36.82%
Deferred Inflows of Resources							
	5,818,977	5,825,280			5,818,977	5,825,280	0.11%
Net Position:							
Net Investment in							
Capital Assets	36,347,933	37,851,997	14,568	13,624	36,362,501	37,865,621	
Restricted	4,328,230	1,995,249			4,328,230	1,995,249	
Unrestricted/(Deficit)	(16,286,666)	(11,054,920)	(149,858)	179,311	(16,436,524)	(10,875,609)	
Total Net Position /(Deficit)	\$ 24,389,497	\$ 28,792,326	\$ (135,290)	\$ 192,935	\$ 24,254,207	\$ 28,985,261	19.51%

The District’s financial position is the product of financial transactions including the net results of activities, the acquisition and payment of bonded and long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Changes in Net Position. The District’s combined net position was \$28,985,261 on June 30, 2022, \$4,731,054 or 19.51% more than it was the year before (See Figure A-3). The net position of the governmental activities increased \$4,402,829 and the net position of the business-type activates increased \$328,225 (See Figure A-4).

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,104,441	\$ 1,403,913	\$ 17,036	\$ 12,735	\$ 1,121,477	\$ 1,416,648	
Operating Grants and Contributions	25,894,743	21,241,477	410,143	1,025,745	26,304,886	22,267,222	
General Revenue:							
Property Taxes	37,018,250	37,747,973			37,018,250	37,747,973	
Not Restricted	109,681	1,443,423			109,681	1,443,423	
Other	250,118	243,996			250,118	243,996	
Total Revenue	64,377,233	62,080,782	427,179	1,038,480	64,804,412	63,119,262	-2.60%
Expenses:							
Instruction	35,347,055	32,189,865			35,347,055	32,189,865	
Pupil and Instruction Services	11,491,430	10,530,125			11,491,430	10,530,125	
Administrative and Business	4,451,368	3,947,346			4,451,368	3,947,346	
Maintenance and Operations	5,667,590	5,057,269			5,667,590	5,057,269	
Transportation	4,802,868	5,459,090			4,802,868	5,459,090	
Other	285,332	494,258	458,161	710,255	743,493	1,204,513	
Total Expenses	62,045,643	57,677,953	458,161	710,255	62,503,804	58,388,208	-6.58%
Increase/(Decrease) in							
Net Position	2,331,590	4,402,829	(30,982)	328,225	2,300,608	4,731,054	105.64%
Beginning Net Position	22,057,907	24,389,497	(104,308)	(135,290)	21,953,599	24,254,207	
Ending Net Position	<u>\$24,389,497</u>	<u>\$28,792,326</u>	<u>\$(135,290)</u>	<u>\$ 192,935</u>	<u>\$24,254,207</u>	<u>\$28,985,261</u>	19.51%

Governmental Activities

The financial position of the District improved. However, maintaining existing programs and the provision of a multitude of special programs and services for disabled students places great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented/continued during the year were:

- Use of federal funds for tuition and related service costs.
- Continued emphasis on safety initiatives resulted in significant dividends received from the District's workers' compensation insurance pool due to positive prior claim experience and past pool net position.
- Employee contributions to offset increasing health benefit premium costs.
- Energy and process reviews in the area of custodial operations to determine cost saving potential were enhanced.

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

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2020/21	2021/22	2020/21	2021/22
Instruction	\$ 35,347,055	\$ 32,189,865	\$ 16,457,932	\$ 16,914,176
Pupil and Instruction Services	11,491,430	10,530,125	7,851,698	7,412,750
Administrative and Business	4,451,368	3,947,346	2,959,947	2,849,513
Maintenance and Operations	5,667,590	5,057,269	4,262,997	3,864,400
Transportation	4,802,868	5,459,090	3,228,553	3,584,797
Other	285,332	494,258	285,332	215,409
	<u>\$ 62,045,643</u>	<u>\$ 57,677,953</u>	<u>\$ 35,046,459</u>	<u>\$ 34,841,045</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$328,225. (Refer to Figure A-4). Factors contributing to this result were:

- Revenues exceeded expenses in food service fund by \$328,225 due to the District's participation in the Seamless Summer Option meal program.

Financial Analysis of the District's Funds

The District's financial position improved overall despite significant changes in the student clientele and continued challenges from economic conditions as well as state and federal mandates. Expenditures related to special needs children have increased due to additional students requiring related services and material needs and the intensity as to which those services and materials are required to serve the individualized needs of the students. Salaries of staff have been increased by prior year negotiated agreements. Fund balance in the General Fund decreased primarily as a result of transfers of Capital Reserve to the Debt Service Fund, offset by conservative budgeting principles utilized by the District.

Figure A-6
Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	
Land	\$ 1,024,701	\$ 1,024,701			\$ 1,024,701	\$ 1,024,701	
Construction in Progress	2,537,439	462,731			2,537,439	462,731	
Site Improvements, Buildings and Building Improvements, Furniture, Machinery and Equipment	37,266,653	40,042,639	\$ 14,568	\$ 13,624	37,281,221	40,056,263	
	<u>\$ 40,828,793</u>	<u>\$ 41,530,071</u>	<u>\$ 14,568</u>	<u>\$ 13,624</u>	<u>\$ 40,843,361</u>	<u>\$ 41,543,695</u>	1.71%

Long-term Liabilities

At year-end, the District had \$2,565,000 in general obligation bonds outstanding – a reduction of \$1,320,000 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 8 to the Basic Financial Statements.)

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Percentage Change
	2020/21	2021/22	
Serial Bonds Payable	\$ 3,885,000	\$ 2,565,000	
Unamortized Bond Premium	198,360	132,240	
Financed Purchases Payable	669,407	1,162,106	
Net Pension Liability	9,899,784	6,989,884	
Compensated Absences Payable	2,208,260	2,085,753	
	<u>\$ 16,860,811</u>	<u>\$ 12,934,983</u>	-23.28%

Factors Bearing on the District’s Future Revenue/Expense Changes

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- The continued impact of S1701 legislation. S1701, adopted by the State of New Jersey on June 17, 2004, places limits on the District’s ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to appropriate available fund balance as needed, and the ability to transfer available funds between appropriation accounts. Taking away the option of transferring available funds during the budget year has severely impacted our ability to maintain and improve our facilities. In addition, the limitation of unassigned fund balance to 2% of expenditures reduces the District’s ability to respond to emergent conditions and limits the use of fund balance in future budgets.
- Upon the passage of S2, the District was notified of anticipated reductions in State Aid due to previous declines in enrollment and the State not utilizing the State Aid Funding Formula for the apportioning of aid to local districts in prior years. As a result, there could be increased pressure to increase the local tax rate at the expense of cutting services. The fiscal year ending June 30, 2022 was the 4th of a 6 year implementation of S2.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 53 West Mill Road, Long Valley, New Jersey 07853.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,970,291	\$ 147,459	\$ 3,117,750
Receivables from Federal Government	7,540	57,361	64,901
Receivables from State Government	1,135,296	1,025	1,136,321
Receivables from Other Governments	2,010		2,010
Other Receivables	43,007		43,007
Inventory		13,943	13,943
Restricted Cash and Cash Equivalents	1,994,518		1,994,518
Capital Assets:			
Sites (Land) and Construction in Progress	1,487,432		1,487,432
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	40,042,639	13,624	40,056,263
Total Assets	<u>47,682,733</u>	<u>233,412</u>	<u>47,916,145</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	181,272		181,272
Deferred Outflows Related to Pensions	687,269		687,269
Total Deferred Outflows of Resources	<u>868,541</u>		<u>868,541</u>
LIABILITIES			
Accounts Payable	954,236		954,236
Unearned Revenue	44,449	40,477	84,926
Noncurrent Liabilities:			
Due Within One Year	1,834,476		1,834,476
Due Beyond One Year	11,100,507		11,100,507
Total Liabilities	<u>13,933,668</u>	<u>40,477</u>	<u>13,974,145</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	5,825,280		5,825,280
Total Deferred Inflows of Resources	<u>5,825,280</u>		<u>5,825,280</u>
NET POSITION			
Net Investment in Capital Assets	37,851,997	13,624	37,865,621
Restricted for:			
Debt Service	731		731
Capital Projects	1,024,325		1,024,325
Emergency Reserve	200,100		200,100
Student Activities	23,137		23,137
Unemployment Compensation	746,956		746,956
Unrestricted/(Deficit)	<u>(11,054,920)</u>	<u>179,311</u>	<u>(10,875,609)</u>
Total Net Position/(Deficit)	<u>\$ 28,792,326</u>	<u>\$ 192,935</u>	<u>\$ 28,985,261</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 20,649,833		\$ 9,113,148	\$ (11,536,685)		\$ (11,536,685)
Special Education	9,190,276		5,459,429	(3,730,847)		(3,730,847)
Other Special Instruction	2,060,880		619,984	(1,440,896)		(1,440,896)
School Sponsored/Other Instruction	288,876		83,128	(205,748)		(205,748)
Support Services:						
Tuition	541,766		446,438	(95,328)		(95,328)
Student & Instruction Related Services	9,988,359		2,670,937	(7,317,422)		(7,317,422)
General Administrative Services	837,715		159,592	(678,123)		(678,123)
School Administrative Services	2,165,697		672,605	(1,493,092)		(1,493,092)
Central Services	931,244		265,636	(665,608)		(665,608)
Administrative Information Technology	12,690			(12,690)		(12,690)
Plant Operations and Maintenance	5,057,269		1,192,869	(3,864,400)		(3,864,400)
Pupil Transportation	5,459,090	\$ 1,403,913	470,380	(3,584,797)		(3,584,797)
Interest on Long-Term Debt	193,300			(193,300)		(193,300)
Transfer to Charter School	22,109			(22,109)		(22,109)
Capital Outlay	278,849		87,331	(191,518)		(191,518)
Total Governmental Activities	57,677,953	1,403,913	21,241,477	(35,032,563)		(35,032,563)
Business-Type Activities:						
Food Service	710,255	12,735	1,025,745		\$ 328,225	328,225
Total Business-Type Activities	710,255	12,735	1,025,745		328,225	328,225
Total Primary Government	\$ 58,388,208	\$ 1,416,648	\$ 22,267,222	\$ (35,032,563)	\$ 328,225	\$ (34,704,338)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 36,339,234		\$ 36,339,234
Taxes Levied for Debt Service	1,408,739		1,408,739
Federal and State Aid not Restricted	1,443,423		1,443,423
Miscellaneous Income	243,996		243,996
	39,435,392		39,435,392
Total General Revenue			
Change in Net Position	4,402,829	\$ 328,225	4,731,054
Net Position/(Deficit) - Beginning	24,389,497	(135,290)	24,254,207
Net Position - Ending	\$ 28,792,326	\$ 192,935	\$ 28,985,261

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

FUND FINANCIAL STATEMENTS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,936,761	\$ 32,799	\$ 731	\$ 2,970,291
Receivables From Federal Government		7,540		7,540
Receivables From State Government	1,135,296			1,135,296
Receivables From Other Government		2,010		2,010
Interfund Receivable	249,075			249,075
Other Receivables	608			608
Restricted Cash and Cash Equivalents	1,971,381	23,137		1,994,518
Total Assets	<u>\$ 6,293,121</u>	<u>\$ 65,486</u>	<u>\$ 731</u>	<u>\$ 6,359,338</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 411,287			\$ 411,287
Unearned Revenue	2,100	\$ 42,349		44,449
Total Liabilities	<u>413,387</u>	<u>42,349</u>		<u>455,736</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	1,024,325			1,024,325
Emergency Reserve Account	200,100			200,100
Student Activities		23,137		23,137
Debt Service			\$ 731	731
Unemployment Compensation	746,956			746,956
Assigned:				
Subsequent Year's Expenditures	1,600,000			1,600,000
Year-end Encumbrances	361,946			361,946
Unassigned	1,946,407			1,946,407
Total Fund Balances	<u>5,879,734</u>	<u>23,137</u>	<u>731</u>	<u>5,903,602</u>
Total Liabilities and Fund Balances	<u>\$ 6,293,121</u>	<u>\$ 65,486</u>	<u>\$ 731</u>	<u>\$ 6,359,338</u>
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:				
Fund Balance of Governmental Funds				\$ 5,903,602
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.				41,530,071
Internal service funds are used by management to charge the costs of transportation to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.				(218,270)
The deferred amount on the refunding is reported as an expenditure in the Governmental Funds in the year of expenditure.				181,272
Premium on Bond Issuance is reported as a revenue in the Governmental Funds.				(132,240)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.				(6,989,884)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:				
Deferred Outflows - Pensions				155,914
Deferred Inflows - Pensions				(5,825,280)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				<u>(5,812,859)</u>
Net Position of Governmental Activities				<u>\$ 28,792,326</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 36,339,234			\$ 1,408,739	\$ 37,747,973
Miscellaneous	243,996	\$ 213,065			457,061
Total - Local Sources	36,583,230	213,065		1,408,739	38,205,034
State Sources	16,559,018			1,429,774	17,988,792
Federal Sources	13,649	961,887			975,536
Total Revenue	53,155,897	1,174,952		2,838,513	57,169,362
EXPENDITURES:					
Current:					
Regular Instruction	11,906,613	168,957			12,075,570
Special Education Instruction	5,159,120	75,388			5,234,508
Other Special Instruction	1,166,711				1,166,711
School Sponsored/Other Instruction	168,983				168,983
Support Services and Undistributed Costs:					
Tuition	95,328	446,438			541,766
Student & Instruction Related Services	5,398,905	393,578			5,792,483
General Administrative Services	568,563				568,563
School Administrative Services	1,277,514				1,277,514
Central Services	548,131				548,131
Administrative Information Technology	12,690				12,690
Plant Operations and Maintenance	3,657,361				3,657,361
Pupil Transportation	3,666,250				3,666,250
Unallocated Benefits	18,443,849				18,443,849

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 5,494,000	\$ 5,494,000
Interest and Other Charges	22,109			127,237	127,237
Transfer to Charter School	415,119	\$ 87,331	\$ 1,636,748		22,109
Capital Outlay					2,139,198
Total Expenditures	<u>52,507,246</u>	<u>1,171,692</u>	<u>1,636,748</u>	<u>5,621,237</u>	<u>60,936,923</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	648,651	3,260	(1,636,748)	(2,782,724)	(3,767,561)
OTHER FINANCING SOURCES/(USES):					
Transfers	(2,775,631)		187	2,775,444	
Bond Anticipation Notes Retired			4,174,000		4,174,000
Financed Purchases (Non-budgeted)	243,245				243,245
Total Other Financing Sources/(Uses)	<u>(2,532,386)</u>		<u>4,174,187</u>	<u>2,775,444</u>	<u>4,417,245</u>
Net Change in Fund Balances	(1,883,735)	3,260	2,537,439	(7,280)	649,684
Fund Balance/(Deficit)—July 1	7,763,469	19,877	(2,537,439)	8,011	5,253,918
Fund Balance—June 30	<u>\$ 5,879,734</u>	<u>\$ 23,137</u>	<u>\$ -0-</u>	<u>\$ 731</u>	<u>\$ 5,903,602</u>

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

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 FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 649,684
Total Net Change in Fund Balances - Internal Service Funds prior to depreciation expense (from B-5)	403,300

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation in the period.

Capital Outlays	\$ 2,650,344
Depreciation and Adjustments	<u>(1,949,066)</u>
	701,278

In the Statement of Activities, the inclusion of internal service fund activity results in the elimination of financed purchases from the internal service fund.

(456,698)

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

122,507

The governmental funds report the effect of the deferred amount on refunding of debt when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (-)

(90,635)

The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)

66,120

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 FISCAL YEAR ENDED JUNE 30, 2022

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

- Change in Net Pension Liability
- Change in Deferred Outflows
- Change in Deferred Inflows

\$ 2,909,900
(723,625)
(6,303)

Proceeds from debt issues are an other financing source in the governmental funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.

(4,174,000)

Financed Purchases entered into by the District are an other financing source in the governmental funds, but the acquisition of financed purchases increases long-term liabilities in the statement of net position and is not reported in the statement of activities.

(961,668)

Repayment of serial bonds and financed purchases are an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

5,962,969

Change in Net Position of Governmental Activities (Exhibit A-2)

\$ 4,402,829

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 147,459	
Accounts Receivable:		
State	1,025	
Federal	57,361	
Other Receivables		\$ 42,399
Inventories	13,943	
Total Current Assets	219,788	42,399
Non-Current Assets:		
Capital Assets	379,140	6,154,883
Less: Accumulated Depreciation	(365,516)	(3,702,592)
Total Non-Current Assets	13,624	2,452,291
Total Assets	233,412	2,494,690
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors		11,594
Interfund Payable - General Fund		249,075
Unearned Revenue	40,477	
Total Current Liabilities	40,477	260,669
Long Term Liabilities:		
Financed Purchases Payable:		
Due Within One Year		338,070
Due Beyond One Year		662,671
Total Long-Term Liabilities		1,000,741
Total Liabilities	40,477	1,261,410
<u>NET POSITION:</u>		
Net Investment in Capital Assets	13,624	1,451,550
Unrestricted/(Deficit)	179,311	(218,270)
Total Net Position	\$ 192,935	\$ 1,233,280

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities -	Governmental Activities -
	<u>Enterprise Fund</u> <u>Food Service</u>	<u>Internal</u> <u>Service Fund</u>
Operating Revenue:		
Local Sources:		
Daily Sales - Non-Reimbursable Programs	\$ 12,735	
Charges and Fees		\$ 4,686,794
	<hr/>	<hr/>
Total Operating Revenue	12,735	4,686,794
	<hr/>	<hr/>
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	9,153	
Cost of Sales - Reimbursable Programs	295,937	
Salaries, Benefits and Payroll Taxes	233,238	3,422,173
Professional and Technical Services	95,013	153,992
Supplies and Repairs	67,727	8,542
Depreciation Expense	9,187	446,296
Maintenance		683,714
	<hr/>	<hr/>
Total Operating Expenses	710,255	4,714,717
	<hr/>	<hr/>
Operating Income/(Loss)	(697,520)	(27,923)
	<hr/>	<hr/>
Non-Operating Revenue/(Expense):		
Interest Expense on Financed Purchases		(15,073)
State Sources:		
COVID-19 - Seamless Summer Option	15,485	
Federal Sources:		
P-EBT Administrative Cost	1,241	
Emergency Operational Cost Program	65,453	
COVID-19 - Seamless Summer Option	845,296	
Food Distribution Program	98,270	
	<hr/>	<hr/>
Total Non-Operating Revenue/(Expense)	1,025,745	(15,073)
	<hr/>	<hr/>
Change in Net Position	328,225	(42,996)
	<hr/>	<hr/>
Net Position/(Deficit) - Beginning of Year	(135,290)	1,276,276
	<hr/>	<hr/>
Net Position - End of Year	\$ 192,935	\$ 1,233,280
	<hr/> <hr/>	<hr/> <hr/>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 13,213	\$ 4,673,016
Payments to Food Service Vendor	(584,241)	
Payments to Suppliers	(18,557)	(4,201,245)
Payments to General Fund for Prior Year Interfund	(172,131)	
Net Cash Provided by / (Used for) Operating Activities	(761,716)	471,771
Cash Flows from Capital Financing Activities:		
Capital Assets Purchases	(8,243)	(69,609)
Interest Expense on Financed Purchases		(15,073)
Financed Purchase Principal Payments		(387,089)
Net Cash (Used for) Capital Financing Activities	(8,243)	(471,771)
Cash Flows from Noncapital Financing Activities:		
Cash Received from Federal and State Sources	917,418	
Net Cash Provided by Noncapital Financing Activities	917,418	
Net Increase in Cash and Cash Equivalents	147,459	-0-
Cash and Cash Equivalents, July 1	-0-	-0-
Cash and Cash Equivalents, June 30	\$ 147,459	\$ -0-
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss):	\$ (697,520)	\$ (27,923)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Depreciation	9,187	446,296
Federal Food Distribution Program	98,270	
Changes in Assets and Liabilities:		
(Increase)/Decrease in Inventory	2,354	
(Increase)/Decrease in Accounts Receivable		(13,778)
Increase/(Decrease) in Accounts Payable		(10,514)
Increase/(Decrease) in Unearned Revenue	(1,876)	
Increase/(Decrease) in Interfund Payable	(172,131)	77,690
Net Cash Provided by/(Used for) Operating Activities	\$ (761,716)	\$ 471,771

Non-Cash Investing, Capital and Financing Activities:

The Food Service Fund received USDA donated commodities valued at \$102,332 and used commodities valued at \$98,270 during the fiscal year.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

B. Basis of Presentation: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses in the program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

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

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary funds:

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

Internal Service Funds: The District operates an internal service fund for transportation. The fund is utilized to account for operations that are financed and operated in a manner similar to a private business enterprise.

C. Measurement Focus and Basis of Accounting

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of state aid. The State is recording the last two state aid payments in the subsequent fiscal year for the General Fund, as detailed more fully in Note 1R.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 53,043,254	\$ 1,169,698
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis differs from GAAP in that Budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		5,254
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	607,277	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(494,634)	
Total Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 53,155,897	\$ 1,174,952
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule		
Differences - Budgetary to GAAP:		
Budgetary Comparison Schedule	\$ 52,507,246	\$ 1,166,438
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		5,254
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 52,507,246	\$ 1,171,692

E. Cash and Cash Equivalents, and Investments:

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

E. Cash and Cash Equivalents, and Investments: (Cont'd)

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

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

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenue. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenue/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the proprietary funds represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

K. Capital Assets:

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

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	40 years
Site Improvements	20 years
Machinery, Furniture and Equipment	10 to 15 years

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

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

N. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2022.

O. Compensated Absences:

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

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

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

P. Leases Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Net unearned revenue:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

R. Fund Balance Appropriated:

General Fund: Of the \$5,879,734 General Fund fund balance at June 30, 2022, \$361,946 is assigned for encumbrances; \$200,100 is restricted in the emergency reserve account; \$1,024,325 is restricted in the capital reserve account; \$746,956 is restricted for unemployment compensation; \$1,600,000 has been assigned and designated as anticipated revenue for the fiscal year ending June 30, 2023; and \$1,946,407 is unassigned, which is \$494,634 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022.

Special Revenue Fund: Special Revenue Fund fund balance at June 30, 2022 of \$23,137 is restricted for student activities.

Capital Projects Fund: Capital Projects Fund fund balance at June 30, 2022 of \$0.

Debt Service Fund: Debt Service Fund fund balance at June 30, 2022 of \$731 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District did not have excess surplus at June 30, 2022.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$494,634 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

S. Deficit Net Position:

The District also has a deficit in unrestricted net position in the internal service transportation fund. This was mostly the result of operating expenses exceeding operating revenues caused depreciation expense. The District is reviewing the transportation fund to ensure that further deficits do not occur in the future.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

S. Deficit Net Position: (Cont'd)

The District had a deficit in unrestricted net position of \$11,054,920 in governmental activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred inflows and outflows, and compensated absences payable offset by the committed, assigned and unassigned governmental fund balances at June 30, 2022. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

T. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2022 related to pensions, and the District had deferred outflows of resources at June 30, 2022 for the deferred amount on the refunding of school bonds.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

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

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

U. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have committed resources in the Capital Projects Fund at June 30, 2022.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2022.

V. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

W. Operating Revenue and Expenses:

Operating revenue are those revenue that are generated directly from the primary activity of the proprietary funds. For the School District, this revenue is sales for food service, and charges and fees for transportation. Operating expenses are necessary costs incurred to provide the service that is the primary activity of each proprietary fund.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

X. Management Estimates:

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

Y. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are permitted under state statute as detailed in the section of this Note for Investments.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Investments: (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.); ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Investments: (Cont'd)

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 3,117,750	\$ 1,994,518	\$ 5,112,268

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of cash and cash equivalents at June 30, 2022 was \$5,112,268. The bank balance was \$5,901,833.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Washington Township Board of Education by inclusion of \$200,100 on June 30, 2002 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$ 3,399,269
Plus: Interest	500
Plus: Board Resolution	400,000
Less: Withdrawal by Board Resolution	2,775,444
Ending Balance, June 30, 2022	\$ 1,024,325

The June 30, 2022 LRFP balance of local support costs of uncompleted capital projects at June 30, 2022 is equal to or greater than \$1,024,325. Withdrawals from the Capital Reserve Account were for use in the DOE approved facilities projects, consistent with the District's LRFP

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 5. EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Washington Township Board of Education for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 % of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The Department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)l.

The activity of the Emergency Reserve Account for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$	200,000
Plus: Interest		100
Ending Balance, June 30, 2022	\$	200,100

NOTE 6. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred \$134,318 to the capital outlay accounts for purchases of equipment, which did not require County Superintendent approval.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7: CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,024,701			\$ 1,024,701
Construction in Progress	<u>2,537,439</u>	<u>\$ 2,099,479</u>	<u>\$ (4,174,187)</u>	<u>462,731</u>
Total Capital Assets Not Being Depreciated	<u>3,562,140</u>	<u>2,099,479</u>	<u>(4,174,187)</u>	<u>1,487,432</u>
Capital Assets Being Depreciated:				
Site Improvements	1,719,020			1,719,020
Buildings and Building Improvements	57,627,411		4,174,187	61,801,598
Machinery and Equipment	<u>7,445,774</u>	<u>550,865</u>	<u>(359,043)</u>	<u>7,637,596</u>
Total Capital Assets Being Depreciated	<u>66,792,205</u>	<u>550,865</u>	<u>3,815,144</u>	<u>71,158,214</u>
Governmental Activities Capital Assets	<u>70,354,345</u>	<u>2,650,344</u>	<u>(359,043)</u>	<u>72,645,646</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,719,020)			(1,719,020)
Buildings and Building Improvements	(22,692,395)	(1,426,812)		(24,119,207)
Machinery and Equipment	<u>(5,114,137)</u>	<u>(522,254)</u>	<u>359,043</u>	<u>(5,277,348)</u>
	<u>(29,525,552)</u>	<u>(1,949,066)</u>	<u>359,043</u>	<u>(31,115,575)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 40,828,793</u>	<u>\$ 701,278</u>	<u>\$ -0-</u>	<u>\$ 41,530,071</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 370,897	\$ 8,243		\$ 379,140
Less: Accumulated Depreciation	<u>(356,329)</u>	<u>(9,187)</u>		<u>(365,516)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 14,568</u>	<u>\$ (6,325)</u>	<u>\$ -0-</u>	<u>\$ 13,624</u>

The District expended \$2,099,479 towards construction projects in progress and finished construction in the Capital Projects Fund and \$550,865 for improvements and equipment from the General Fund capital outlay accounts during the fiscal year. As of June 30, 2022, the District was completing a capital project at the Old Farmers Road School which was subsequently completed in fall of 2022.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 151,053
Student and Instruction Related Services	916,061
Operations and Maintenance of Plant	136,435
General Administration	38,981
Transportation	<u>706,536</u>
	<u>\$ 1,949,066</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Accrued	Retired	Balance 6/30/2022
Serial Bonds Payable	\$ 3,885,000	\$ 4,174,000	\$5,494,000	\$ 2,565,000
Compensated Absences Payable	2,208,260	18,274	140,781	2,085,753
Unamortized Bond Issuance Premium	198,360		66,120	132,240
Net Pension Liability	9,899,784		2,909,900	6,989,884
Financed Purchases Payable	669,407	961,668	468,969	1,162,106
	<u>\$16,860,811</u>	<u>\$ 5,153,942</u>	<u>\$9,079,770</u>	<u>\$ 12,934,983</u>

A. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$66,120 and is separated from the long-term liability balance of \$66,120.

B. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2022 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
Refunding of 2003 Bonds	7/15/2023	3.00%	\$ 2,565,000

Principal and interest due on serial bonds outstanding are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 1,350,000	\$ 56,700	\$ 1,406,700
2024	1,215,000	18,225	1,233,225
	<u>\$ 2,565,000</u>	<u>\$ 74,925</u>	<u>\$ 2,639,925</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

C. Financed Purchases Payable:

As of June 30, 2022, the Board has financed purchase agreements for the acquisition of vehicles and Chromebooks with a total asset value of \$4,222,223 of which \$3,060,127 has been liquidated. The finance purchase agreement terms are for five years for buses. The District also has a finance purchase agreement for the acquisition of Chromebooks and iPads with terms for three years for technology. The following is a schedule of the future minimum finance purchase payments under the finance purchase agreements, and the present value of the net minimum financed purchase payments at June 30, 2022.

<u>Year</u>	<u>Amount</u>
2023	\$ 434,880
2024	347,522
2025	265,642
2026	<u>146,265</u>
Total Minimum Financed Purchased Payments	1,194,309
Less: Amount representing interest	<u>(32,203)</u>
Present value of net minimum payments	<u>\$ 1,162,106</u>

The current portion of the finance purchase payable at June 30, 2022 is \$418,356 and the long-term portion is \$743,750. Financed purchases payable will be liquidated through the internal service fund for buses and the general fund for technology.

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$7,227 and is separated from the long-term liability balance of compensated absences of \$2,078,526. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the Food Service Fund.

Compensated absences will be liquidated from the General Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$6,989,884. See Note 9 for further information on the PERS.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$515,879 for fiscal year 2022.

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

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

At June 30, 2022, the District reported a liability of \$6,989,884 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 which 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 relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0607%, which was a decrease of 0.002% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the District recognized pension benefit of \$531,355. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ (295,394)
	2018	5.63		(553,801)
	2019	5.21		(488,549)
	2020	5.16		(1,150,700)
	2021	5.13	\$ 36,403	
			<u>36,403</u>	<u>(2,488,444)</u>
Changes in Proportion	2017	5.48	9,272	
	2018	5.63		(213,764)
	2019	5.21		(486,700)
	2020	5.16		(445,890)
	2021	5.13		(299,124)
			<u>9,272</u>	<u>(1,445,478)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		(54,600)
	2019	5.00		17,618
	2020	5.00		397,053
	2021	5.00		(2,201,390)
				<u>(1,841,319)</u>
Difference Between Expected and Actual Experience	2017	5.48	8,785	
	2018	5.63		(21,089)
	2019	5.21	37,345	
	2020	5.16	64,109	
	2021	5.13		(28,950)
			<u>110,239</u>	<u>(50,039)</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	531,355	
			<u>\$ 687,269</u>	<u>\$(5,825,280)</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2021	\$ (1,649,308)
2022	(1,177,602)
2023	(802,924)
2024	(603,560)
2025	234
	\$ (4,233,160)

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 actuarial assumptions:

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
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 Management Strategies	3.00%	3.35%

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 9,524,072	\$ 6,989,884	\$ 4,846,417

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided

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

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$6,968,716 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$5,106,275.

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

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$83,768,662. 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 which 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 relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.1742%, which was a decrease of 0.0016% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		83,768,662
Total	\$	83,768,662

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$1,971,113 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements.

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

Fiscal Year Ending June 30,	Total
2021	\$ (2,914,282,899)
2022	(3,500,098,875)
2023	(4,665,036,366)
2024	(4,192,375,542)
2025	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			<u>5,289,559,561</u>	<u>24,224,281,713</u>
Difference Between Expected and Actual Experience	2014	8.50		1,464,605.00
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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 actuarial assumptions, applied to all periods in the measurement.

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

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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, 2015 to June 30, 2018.

Long Term Expected Rate of Return

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market 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 Management Strategies	3.00%	3.35%

Discount Rate – TPAF

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. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 100,004,603	\$ 84,522,793	\$ 71,519,063

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$42,242 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$92,297 for the year ended June 30, 2022.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District has not experienced any insurance settlements that have exceeded coverage for any of the previous three fiscal years. The District maintains commercial coverage for property, liability, student accident, and surety bonds. The District has maintained consistent coverage in these areas from the prior year. A complete schedule of insurance coverage can be found in the statistical section of this annual comprehensive financial report. Health benefits are provided to employees through Horizon Blue Cross Blue Shield of New Jersey.

The Washington Township School District is a member of the Morris Essex Insurance Group (the “Group”). The Group provides worker’s compensation coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this annual comprehensive financial report. The Group is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for their respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the entity are elected.

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

The 2022 financial information for the group was not available as of the release of this audit. Selected summarized financial information for the Group as of June 30, 2021 is as follows:

Total Assets	<u>\$ 11,802,954</u>
Net Postion	<u>\$ 8,479,975</u>
Total Revenue	<u>\$ 4,013,691</u>
Total Expenses	<u>\$ 2,294,520</u>
Change in Net Position	<u>\$ 694,089</u>
Member Dividends	<u>\$ (1,025,082)</u>

Financial statements for the Group are available at the entity’s Executive Director’s Office:

Burton Agency
44 Bergen Street
PO Box 270
Westwood, NJ 07675

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ -0-	\$ -0-	\$ 45,971	\$ 88	\$ 746,956
2020-2021	-0-	-0-	42,222	15,308	701,073
2019-2020	-0-	-0-	54,050	14,561	674,159

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUNDS PAYABLES, RECEIVABLES, AND TRANSFERS

The District had the following interfunds payable or receivable on their various balance sheets as of June 30, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 249,075	
Internal Service Fund		\$ 249,075
	<u>\$ 249,075</u>	<u>\$ 249,075</u>

The interfund between the General Fund and Internal Service Fund were for funds advanced to cover the deficits in cash which existed in in the internal service fund at year end.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 13. DEFERRED COMPENSATION

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

VALIC Equitable Financial Companies Security Benefit	Fidelity Investments Lincoln Investment Planning
--	---

NOTE 14. TAX CALENDAR

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

Taxes are collected by the constituent municipality and are remitted to the District on a predetermined, agreed-upon schedule.

NOTE 15. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the governmental funds and proprietary funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>	<u>Proprietary Funds</u>
Vendors	\$ 361,946	\$ 41,300	\$ 403,246	\$ 3,691

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 15. CONTINGENT LIABILITIES (Cont'd)

Encumbrances (Cont'd)

On the District's Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$41,300 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2022 were as follows:

	<u>General Fund</u>	<u>District Contribution Subsequent to the Measurement Date</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>
Vendors	\$ 170,416		\$ 11,594	\$ 182,010
Payroll Deductions and Withholdings	240,871			240,871
State of New Jersey		\$ 531,355		531,355
	<u>\$ 411,287</u>	<u>\$ 531,355</u>	<u>\$ 11,594</u>	<u>\$ 954,236</u>

NOTE 17. OTHER ACCOUNTS RECEIVABLE

Other accounts receivable as of June 30, 2022 were as follows:

	<u>General Fund</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>
Other Receivables	\$ 608		\$ 608
Transportation Services		\$ 42,399	42,399
	<u>\$ 608</u>	<u>\$ 42,399</u>	<u>\$ 43,007</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2020, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	150,427
Active Plan Members	<u>213,901</u>
Total	<u><u>366,108</u></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases:			
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	Not Applicable

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

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), ~~and~~ “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 were based on the Pub-2010 “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.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

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

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

	Total OPEB Liability
Balance at June 30, 2020	\$ 124,570,995
Changes for Year:	
Service Cost	4,949,377
Interest Cost	2,859,374
Change of Benefit Terms	(117,322)
Differences between Expected and Actual Experience	(19,966,058)
Changes in Assumptions	108,746
Member Contributions	73,100
Gross Benefit Payments	(2,252,386)
Net Changes	(14,345,169)
Balance at June 30, 2021	\$ 110,225,826

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
Total OPEB Liability Attributable to the District	\$ 132,033,236	\$ 110,225,826	\$ 93,053,800

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2021, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 89,228,164	\$ 110,225,826	\$ 138,424,134

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$4,838,684 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2021 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 6,194,726
	2018	9.51		5,631,478
	2019	9.29	\$ 773,803	
	2020	9.24	17,827,633	
	2020	9.24	96,977	
			<u>18,698,413</u>	<u>11,826,204</u>
Differences Between Expected and Actual Experience	2018	9.51		5,323,499
	2019	9.29		9,107,707
	2020	9.24	16,616,054	
	2020	9.24		18,649,524
			<u>16,616,054</u>	<u>33,080,730</u>
Changes in Proportion	N/A	N/A		<u>2,980,055</u>
			<u>\$ 35,314,467</u>	<u>\$ 47,886,989</u>

N/A – Not Available

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

Fiscal Year Ending June 30,	Total
2021	\$ (2,171,729)
2022	(2,171,729)
2023	(2,171,729)
2024	(2,171,729)
2025	(1,544,069)
Thereafter	638,518
	<u>\$ (9,592,467)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

WASHINGTON TOWNSHIP BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0708566496%	0.0712462883%	0.0717948283%	0.0722803232%	0.0690067284%	0.0639413513%	0.0607073692%	0.0590037936%
District's proportionate share of the net pension liability	\$ 13,266,303	\$ 15,993,364	\$ 21,263,569	\$ 16,825,704	\$ 10,790,165	\$ 11,521,261	\$ 9,899,784	\$ 6,989,884
District's covered employee payroll	\$ 4,881,865	\$ 4,881,865	\$ 4,735,500	\$ 4,653,741	\$ 4,841,226	\$ 4,513,560	\$ 4,438,576	\$ 4,335,841
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	271.75%	327.61%	449.02%	361.55%	222.88%	255.26%	223.04%	161.21%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

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

WASHINGTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 477,117	\$ 504,167	\$ 637,815	\$ 669,600	\$ 686,394	\$ 498,768	\$ 498,558	\$ 515,879
Contributions in relation to the contractually required contribution	(477,117)	(504,167)	(637,815)	(669,600)	(686,394)	(498,768)	(498,558)	(515,879)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 4,881,865	\$ 4,735,500	\$ 4,653,741	\$ 4,841,226	\$ 4,513,560	\$ 4,438,576	\$ 4,335,841	\$ 4,441,367
Contributions as a percentage of covered employee payroll	9.77%	10.65%	13.71%	13.83%	15.21%	11.24%	11.50%	11.62%

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

WASHINGTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable to the District	0.181799816%	0.177987580%	0.179466823%	0.173585978%	0.180402624%	0.180399504%	0.175813753%	0.174245103%
State's proportionate share of the net pension liability attributable to the District	\$ 97,166,085	\$ 112,495,751	\$ 141,179,987	\$ 117,037,926	\$ 114,768,274	\$ 110,712,878	\$ 115,771,241	\$ 83,768,662
District's covered employee payroll	\$ 18,101,307	\$ 18,101,307	\$ 17,501,370	\$ 18,141,947	\$ 18,974,959	\$ 18,456,800	\$ 19,108,189	\$ 19,255,715
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	536.79%	621.48%	806.68%	645.12%	604.84%	599.85%	605.87%	435.03%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

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

WASHINGTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 5,228,448	\$ 6,868,878	\$ 10,607,712	\$ 10,607,712	\$ 6,690,589	\$ 6,530,141	\$ 7,199,149	\$ 1,971,113
Contributions in relation to the contractually required contribution	(926,266)	(1,436,881)	(1,884,230)	(2,656,694)	(3,548,023)	(3,925,388)	(5,065,094)	(6,968,716)
Contribution deficiency/(excess)	<u>\$ 4,302,182</u>	<u>\$ 5,431,997</u>	<u>\$ 8,723,482</u>	<u>\$ 7,951,018</u>	<u>\$ 3,142,566</u>	<u>\$ 2,604,753</u>	<u>\$ 2,134,055</u>	<u>\$ (4,997,603)</u>
District's covered employee payroll	\$ 18,101,307	\$ 17,501,370	\$ 18,141,947	\$ 18,974,959	\$ 18,456,800	\$ 19,108,189	\$ 19,255,715	\$ 19,688,207
Contributions as a percentage of covered employee payroll	5.12%	8.21%	10.39%	14.00%	19.22%	20.54%	26.30%	35.40%

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

WASHINGTON TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL
OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST FIVE FISCAL YEARS

	Fiscal Year Ending June 30,				
	2017	2018	2019	2020	2021
Service Cost	\$ 3,823,165	\$ 3,186,988	\$ 2,725,133	\$ 2,835,315	\$ 4,949,377
Interest Cost	3,228,815	3,742,083	3,416,409	2,767,339	2,859,374
Change of Benefit Terms					(117,322)
Differences between Expected and Actual Experience		(10,497,975)	(14,412,115)	21,042,494	(19,966,058)
Changes in Assumptions	(12,920,089)	(9,948,585)	1,152,161	22,754,840	108,746
Member Contributions	87,378	80,120	70,315	65,733	73,100
Gross Benefit Payments	<u>(2,372,952)</u>	<u>(2,318,170)</u>	<u>(2,372,080)</u>	<u>(2,168,678)</u>	<u>(2,252,386)</u>
Net Change in Total OPEB Liability	(8,153,683)	(15,755,539)	(9,420,177)	47,297,043	(14,345,169)
Total OPEB Liability - Beginning	110,603,351	102,449,668	86,694,129	77,273,952	124,570,995
Total OPEB Liability - Ending	<u>\$ 102,449,668</u>	<u>\$ 86,694,129</u>	<u>\$ 77,273,952</u>	<u>\$ 124,570,995</u>	<u>\$ 110,225,826</u>
District's Covered Employee Payroll *	\$ 22,795,688	\$ 23,816,185	\$ 22,970,360	\$ 23,546,765	\$ 23,591,556
Total OPEB Liability as a Percentage of Covered Employee Payroll	449%	364%	336%	529%	467%

* - Covered payroll for the fiscal years ending June 30, 2017 to 2021 are based on the payroll on the June 30, 2016 to 2020 census data.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation, the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation, the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2021 was 2.16%. The discount rate for June 30, 2020 was 2.21%, a change of -.05%.

The salary increases for TPAF/ABP for thereafter were 1.55 – 4.45% in the valuation as of June 30, 2020 while the salary increases for TPAF/ABP for thereafter are 2.75 – 5.65% in the valuation as of June 30, 2021.

The salary increases for PFRS for thereafter were applied to all future years in the valuation as of June 30, 2020 while the salary increases for PFRS for thereafter are not applicable in the valuation as of June 30, 2021.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2021 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 were based on the Pub-2010 “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 mortality rates in the valuation as of June 30, 2020 were based on the following:

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

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% 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 years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

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 rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 36,339,234		\$ 36,339,234	\$ 36,339,234	\$ 100
Interest on Investments - Emergency Reserve			200	500	300
Interest on Investments - Capital Reserve	200		200	9,393	(10,407)
Interest on Investments	19,800		19,800	45,883	45,883
Restricted Miscellaneous				188,120	188,120
Unrestricted Miscellaneous	137,000		137,000		
Total - Local Sources	36,496,234		36,496,234	36,583,230	86,996
State Sources:					
Categorical Special Education Aid	1,591,751		1,591,751	1,591,751	
Categorical Transportation Aid	457,507		457,507	457,507	
Equalization Aid	2,935,451		2,935,451	2,935,451	
Categorical Security Aid	176,840		176,840	176,840	
Securing our Children's Future Security Grant				107,093	107,093
Extraordinary Aid				1,020,476	1,020,476
Homeless Aid				28,309	28,309
NonPublic Transportation Aid				12,664	12,664
On-Behalf TPAF Pension Contributions (Non-Budgeted)				6,968,716	6,968,716
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				98,319	98,319
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				1,651,145	1,651,145
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				1,955	1,955
TPAF Social Security (Reimbursed - Non-Budgeted)				1,396,149	1,396,149
Total State Sources	5,161,549		5,161,549	16,446,375	11,284,826
Federal Sources:					
Medicaid Reimbursement	20,440		20,440	13,649	(6,791)
Total Federal Sources	20,440		20,440	13,649	(6,791)
TOTAL REVENUES	41,678,223		41,678,223	53,043,254	11,365,031

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 743,690	\$ 100,000	\$ 843,690	\$ 839,346	\$ 4,344
Grades 1-5 - Salaries of Teachers	5,747,137	(130,457)	5,616,680	5,574,282	42,398
Grades 6-8 - Salaries of Teachers	4,494,341	(15,000)	4,479,341	4,457,845	21,496
Regular Programs - Home Instruction:					
Salaries of Teachers	11,000		11,000	2,847	8,153
Other Purchased Services	25,500		25,500	6,431	19,069
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	223,730	(21,200)	202,530	197,703	4,827
Other Purchased Services (400-500 series)	624,078	(47,460)	576,618	555,153	21,465
General Supplies	424,605	(20,235)	404,370	273,006	131,364
Total Regular Programs - Instruction	12,294,081	(134,352)	12,159,729	11,906,613	253,116
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	531,900	25,700	557,600	528,368	29,232
Other Salaries for Instruction	143,890	(5,900)	137,990	132,206	5,784
General Supplies	6,611	(850)	5,761	1,961	3,800
Total Learning and/or Language Disabilities	682,401	18,950	701,351	662,535	38,816
Behavioral Disabilities:					
Salaries of Teachers	204,780		204,780	176,489	28,291
Other Salaries for Instruction	85,022	21,230	106,252	89,773	16,479
General Supplies	669		669	648	21
Total Behavioral Disabilities	290,471	21,230	311,701	266,910	44,791
Multiple Disabilities:					
Salaries of Teachers		72,020	72,020	72,020	
Total Multiple Disabilities		72,020	72,020	72,020	

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 3,403,930	\$ (80,000)	\$ 3,323,930	\$ 3,216,722	\$ 107,208
Other Salaries for Instruction	624,639	23,410	648,049	610,898	37,151
General Supplies	7,498		7,498	5,419	2,079
Total Resource Room/Resource Center	4,036,067	(56,590)	3,979,477	3,833,039	146,438
Preschool Handicapped - Part-time:					
Salaries of Teachers	290,565		290,565	284,995	5,570
Other Salaries for Instruction	35,565	4,300	39,865	38,189	1,676
General Supplies	4,322		4,322	1,432	2,890
Total Preschool Handicapped - Part-time	330,452	4,300	334,752	324,616	10,136
Total Special Education Instruction	5,339,391	59,910	5,399,301	5,159,120	240,181
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	900,943	19,638	920,581	920,472	109
General Supplies	2,436		2,436	1,958	478
Total Basic Skills/Remedial - Instruction	903,379	19,638	923,017	922,430	587
Bilingual Education - Instruction:					
Salaries of Teachers	251,363	455	251,818	243,569	8,249
General Supplies	725	50	775	712	63
Total Bilingual Education - Instruction	252,088	505	252,593	244,281	8,312
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	122,769	(11,678)	111,091	110,007	1,084
Purchased Services	3,500		3,500	810	2,690
Supplies and Materials	2,970		2,970	2,185	785
Total School-Sponsored Cocurricular Activities - Instruction	129,239	(11,678)	117,561	113,002	4,559

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 43,936	\$ 6,678	\$ 50,614	\$ 46,068	\$ 4,546
Other Purchased Services	13,550	(5,000)	8,550	8,171	379
Supplies and Materials	2,902	1,370	4,272	1,742	2,530
Total School-Sponsored Cocurricular Athletics - Instruction	60,388	3,048	63,436	55,981	7,455
Total Instruction	18,978,566	(62,929)	18,915,637	18,401,427	514,210
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular		16,855	16,855	16,854	1
Tuition to Other LEAs Within the State - Special	91,278	(27,770)	63,508	58,491	5,017
Tuition to Private Schools for the Handicapped - Within State	14,854	10,915	25,769	19,983	5,786
Total Undistributed Expenditures - Instruction	106,132		106,132	95,328	10,804
Attendance & Social Work Services:					
Salaries	4,919		4,919	4,776	143
Total Attendance & Social Work Services	4,919		4,919	4,776	143
Health Services:					
Salaries	562,898	(21,100)	541,798	541,007	791
Purchased Professional and Technical Services	8,000	50,500	58,500	58,489	11
Other Purchased Services	1,000	(400)	600	385	215
Supplies and Materials	42,359	(19,000)	23,359	20,913	2,446
Total Health Services	614,257	10,000	624,257	620,794	3,463

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Speech, OT, PT and Related Services:					
Salaries of Other Professional Staff	\$ 787,935	\$	\$ 787,935	\$ 781,560	\$ 6,375
Purchased Professional - Educational Services	752,841		752,841	693,030	59,811
Supplies and Materials	2,608		2,608	2,533	75
Total Speech, OT, PT and Related Services	1,543,384		1,543,384	1,477,123	66,261
Other Support Services - Students - Extraordinary Services:					
Salaries	336,613	\$ 20,000	356,613	345,473	11,140
Purchased Professional - Educational Services	348,961	(108,978)	239,983	220,102	19,881
Supplies and Materials	625	3,402	4,027	4,001	26
Total Other Support Services - Students - Extraordinary Services	686,199	(85,576)	600,623	569,576	31,047
Guidance:					
Salaries of Other Professional Staff	466,585	(14,000)	452,585	452,408	177
Salaries of Secretarial and Clerical Assistants	161,526	(3,000)	158,526	154,591	3,935
Supplies and Materials	3,469		3,469	1,613	1,856
Total Guidance	631,580	(17,000)	614,580	608,612	5,968
Child Study Team:					
Salaries of Other Professional Staff	1,219,355		1,219,355	1,219,255	100
Salaries of Secretarial and Clerical Assistants	84,521	6,500	91,021	87,316	3,705
Other Purchased Professional and Technical Services	24,000	2,948	26,948	23,393	3,555
Miscellaneous Purchased Services	7,108		7,108	5,289	1,819
Supplies and Materials	12,452	1,950	14,402	14,129	273
Total Child Study Team	1,347,436	11,398	1,358,834	1,349,382	9,452

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 206,279	\$ 8,200	\$ 214,479	\$ 214,391	\$ 88
Salaries of Other Professional Staff	33,672		33,672	17,135	16,537
Salaries of Secretarial and Clerical Assistants	57,262	112	57,374	57,373	1
Total Improvement of Instructional Services	297,213	8,312	305,525	288,899	16,626
Educational Media Services/School Library:					
Salaries	392,600	2,100	394,700	394,411	289
Other Purchased Services	19,961		19,961	19,140	821
Supplies and Materials	28,075	3,250	31,325	28,960	2,365
Total Educational Media Services/School Library	440,636	5,350	445,986	442,511	3,475
Instructional Staff Training Services:					
Other Purchased Services	57,142	(19,909)	37,233	37,232	1
Total Instructional Staff Training Services	57,142	(19,909)	37,233	37,232	1
Support Services - General Administration:					
Salaries	355,123	(37,227)	317,896	299,639	18,257
Legal Services	40,000	10,100	50,100	45,093	5,007
Audit Fees	46,400	1,600	48,000	48,000	
Other Purchased Professional Services	12,600	(6,600)	6,000	3,431	2,569
Communications/Telephone	49,572		49,572	45,801	3,771
Other Purchased Services	104,254		104,254	101,454	2,800
General Supplies	5,363		5,363	4,550	813
BOE Meeting Supplies	800		800		800
Miscellaneous Expenditures	7,033	(5,100)	1,933	1,315	618
Board of Education Membership Dues and Fees	20,000		20,000	19,280	720
Total Support Services - General Administration	641,145	(37,227)	603,918	568,563	35,355

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 822,482	\$ 19,001	\$ 841,483	\$ 841,446	\$ 37
Salaries of Secretarial and Clerical Assistants	412,953	8,470	421,423	421,392	31
Other Purchased Services	6,625	(174)	6,625	3,877	2,748
Supplies and Materials	2,634	174	2,460	2,024	436
Other Objects	8,601		8,775	8,775	
Total Support Services - School Administration	1,253,295	27,471	1,280,766	1,277,514	3,252
Central Services:					
Salaries	493,985	4,757	498,742	498,742	
Other Purchased Professional Services	46,787		46,787	42,714	4,073
Supplies and Materials	6,164		6,164	4,585	1,579
Miscellaneous Expenses	2,354		2,354	2,090	264
Total Central Services	549,290	4,757	554,047	548,131	5,916
Administrative Information Technology:					
Other Purchased Professional Services		12,690	12,690	12,690	
Supplies and Materials	6,760		6,760		6,760
Total Administrative Information Technology	6,760	12,690	19,450	12,690	6,760
Required Maintenance of School Facilities:					
Salaries	129,716		129,716	128,087	1,629
Lead Water Testing	15,000	(8,538)	6,462	6,462	
Cleaning, Repair and Maintenance Services	179,872	344,271	524,143	331,176	192,967
General Supplies	125,000	(57,720)	67,280	60,564	6,716
Total Required Maintenance of School Facilities	449,588	278,013	727,601	526,289	201,312

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 1,654,955	\$ (76,100)	\$ 1,578,855	\$ 1,578,319	\$ 536
Purchased Professional and Technical Services	17,715		17,715	13,837	3,878
Cleaning, Repairs, and Maintenance Services	177,015	19,643	196,658	191,541	5,117
Other Purchased Services	253,931	5,000	258,931	256,747	2,184
Insurance	145,850	13,600	159,450	159,409	41
General Supplies	181,010	27,204	208,214	203,123	5,091
Energy - Natural Gas	196,350	32,205	228,555	220,171	8,384
Energy - Electricity	336,000	(18,403)	317,597	310,154	7,443
Energy - Oil	5,250	3,670	8,920	8,905	15
Total Custodial Services	2,968,076	6,819	2,974,895	2,942,206	32,689
Security					
Salaries	34,399	(29,600)	4,799		4,799
Purchased Professional and Technical Services	182,983	6,000	188,983	182,983	6,000
General Supplies	15,000	8,600	23,600	5,883	17,717
Total Security	232,382	(15,000)	217,382	188,866	28,516
Student Transportation Services:					
Contracted Services:					
Between Home and School - Joint Agreements	3,282,881		3,282,881	3,282,881	
Regular Education Students CTSA's and ESCs	3,000	36,954	39,954	39,954	
Special Education Students CTSA's and ESCs	255,285	48,751	304,036	304,032	4
Between Home and School - Vendors		1,800	1,800	1,800	
Aid in Lieu Payments - Nonpublic	48,000	(10,416)	37,584	37,583	1
Total Student Transportation Services	3,589,166	77,089	3,666,255	3,666,250	5

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 543,390	\$ (17,961)	\$ 525,429	\$ 502,848	\$ 22,581
Other Retirement Contributions - PERS	515,879		515,879	515,879	
Other Retirement Contributions - Regular	49,053	(2,556)	46,497	42,242	4,255
Workmen's Compensation	215,521	2,556	218,077	218,077	
Health Benefits	6,911,090	(50,000)	6,861,090	6,830,050	31,040
Tuition Reimbursements	133,200	(30,900)	102,300	79,562	22,738
Other Employee Benefits	66,634	75,261	141,895	138,907	2,988
Total Unallocated Benefits	8,434,767	(23,600)	8,411,167	8,327,565	83,602
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				6,968,716	(6,968,716)
TPAF Non-Contributory Insurance (Non-Budgeted)				98,319	(98,319)
TPAF Post Retirement Medical Benefits (Non-Budgeted)				1,651,145	(1,651,145)
TPAF Long-Term Disability Insurance (Non-Budgeted)				1,955	(1,955)
TPAF Social Security (Reimbursed - Non-Budgeted)				1,396,149	(1,396,149)
Total On-Behalf Contributions				10,116,284	(10,116,284)
Total Personal Services - Employee Benefits	8,434,767	(23,600)	8,411,167	18,443,849	(10,032,682)
Total Undistributed Expenses	23,853,367	243,587	24,096,954	33,668,591	(9,571,637)
TOTAL CURRENT EXPENSE	42,831,933	180,658	43,012,591	52,070,018	(9,057,427)
CAPITAL OUTLAY					
Undistributed Equipment:					
Instructional		25,957	25,957	25,953	4
Non-Instructional:					
Custodial Services		108,361	108,361	100,698	7,663
Total Equipment		134,318	134,318	126,651	7,667

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
CAPITAL OUTLAY (CONT'D)					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 40,000	\$	40,000	\$ 3,675	\$ 36,325
Other Objects - Debt Service Assessment on SDA Funding	41,548		41,548	41,548	
Total Facilities Acquisition and Construction Services	81,548		81,548	45,223	36,325
Assets Acquired Under Financed Purchases (Non-budgeted):					
Student Transportation Services				243,245	(243,245)
Total Assets Acquired Under Financed Purchases (Non-budgeted)				243,245	(243,245)
TOTAL CAPITAL OUTLAY	81,548	\$ 134,318	215,866	415,119	(199,253)
Transfer To Charter School	47,030	(21,000)	26,030	22,109	3,921
TOTAL EXPENDITURES	42,960,511	293,976	43,254,487	52,507,246	(9,252,759)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,282,288)	(293,976)	(1,576,264)	536,008	2,112,272
Other Financing Sources/(Uses):					
Transfer to Debt Service Fund from Capital Reserve		(2,775,444)	(2,775,444)	(2,775,444)	
Transfer to Capital Projects Fund - Capital Outlay		(187)	(187)	(187)	
Financed Purchases (Non-budgeted)				243,245	243,245
Total Other Financing Sources/(Uses)		(2,775,631)	(2,775,631)	(2,532,386)	243,245
Excess/(Deficiency) of Revenues and Other Financing Sources	(1,282,288)	(3,069,607)	(4,351,895)	(1,996,378)	2,355,517
Over/(Under) Expenditures and Other Financing Uses					
Fund Balance, July 1	8,370,746		8,370,746	8,370,746	
Fund Balance, June 30	\$ 7,088,458	\$ (3,069,607)	\$ 4,018,851	\$ 6,374,368	\$ 2,355,517

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Recapitulation:					
Restricted:					
Capital Reserve	\$ 1,024,325				
Emergency Reserve	200,100				
Unemployment Compensation	746,956				
Assigned:					
For Subsequent Year's Expenditures	1,600,000				
Year-End Encumbrances	361,946				
Unassigned	2,441,041				
				<u>6,374,368</u>	
Reconciliation to Governmental Fund Statement (GAAP):				(494,634)	
Last Two State Aid Payments not Recognized on GAAP Basis				<u>\$ 5,879,734</u>	
Fund Balance per Governmental Funds GAAP					

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 1,030,308	\$ (9,607)	\$ 1,020,701	\$ 956,633	\$ 64,068
Local Sources		213,065	213,065	213,065	
Total Revenues	1,030,308	203,458	1,233,766	1,169,698	64,068
EXPENDITURES:					
Instruction					
Salaries	123,831	(19,630)	104,201	104,201	
Other Purchased Services	492,879	(46,441)	446,438	446,438	
General Supplies	50,010	58,580	108,590	108,590	
Total Instruction	666,720	(7,491)	659,229	659,229	
Support Services					
Personal Service - Employee Benefits	10,014	(796)	9,218	9,218	
Salaries		2,563	2,563	2,563	
Purchased Professional/Technical Services	145,752	(21,398)	124,354	118,070	6,284
Purchased Property Services	87,565		87,565	87,565	
Supplies and Materials	32,926	17,515	50,441	10,172	40,269
Student Activities		213,065	213,065	192,290	20,775
Total Support Services	276,257	210,949	487,206	419,878	67,328
Facilities Acquisition and Construction Services:					
Instructional Equipment	87,331		87,331	87,331	
Total Facilities Acquisition and Construction Services	87,331		87,331	87,331	
Total Expenditures	\$ 1,030,308	\$ 203,458	\$ 1,233,766	\$ 1,166,438	\$ 67,328
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-	\$ 3,260	\$ (3,260)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule Differences - Budget to GAAP:	\$ 53,043,254	\$ 1,169,698
Grant Accounting Budgetary Basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not"		
Current Year Encumbrances		(41,300)
Cancellation of Prior Year Encumbrances		21,000
Prior Year Encumbrances		25,554
State Aid Payments Recognized for GAAP Statement, not Recognized for Budgetary Purposes	607,277	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(494,634)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 53,155,897	\$ 1,174,952
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule Differences - Budget to GAAP	\$ 52,507,246	\$ 1,166,438
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes.		5,254
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 52,507,246	\$ 1,171,692

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year.

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act			IDEA, PART B		ARP- IDEA, PART B
	Title I	Title II A	Title III	Preschool	Basic	Basic
REVENUE:						
Federal Sources	\$ 20,708	\$ 32,248	\$ 8,377	\$ 26,062	\$ 504,701	\$ 2,883
Local Sources						
Total Revenue	20,708	32,248	8,377	26,062	504,701	2,883
EXPENDITURES:						
Instruction:						
Salaries	17,658		22,161			
Other Purchased Services					446,438	
General Supplies	607	5,412	4,820	2,253	49,309	1,665
Total Instruction	18,265	5,412	4,820	24,414	495,747	1,665
Support Services:						
Employee Benefits	2,443		196	1,648		
Salaries			2,563			
Purchased Professional/Technical Services		26,836	798			
Purchased Property Services						
Supplies and Materials					8,954	1,218
Student Activities						
Total Support Services	2,443	26,836	3,557	1,648	8,954	1,218
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 20,708	\$ 32,248	\$ 8,377	\$ 26,062	\$ 504,701	\$ 2,883

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA		ARP		Local Grants	Student Activity	Totals
	Learning Acceleration	Mental Health	ESSER II	Non-Title I Formula			
REVENUE:							
Federal Sources	\$ 25,000	\$ 45,000	\$ 142,782	\$ 148,872	\$ 17,515	\$ 195,550	\$ 956,633
Local Sources							213,065
Total Revenue	25,000	45,000	142,782	148,872	17,515	195,550	1,169,698
EXPENDITURES:							
Instruction:							
Salaries	25,000		39,382				104,201
Other Purchased Services							446,438
General Supplies			9,013	17,996	17,515		108,590
Total Instruction	25,000		48,395	17,996	17,515		659,229
Support Services:							
Employee Benefits			4,931				9,218
Salaries							2,563
Purchased Professional/Technical Services		45,000	1,891	43,545			118,070
Purchased Property Services			87,565				87,565
Supplies and Materials							10,172
Student Activities						192,290	192,290
Total Support Services		45,000	94,387	43,545		192,290	419,878
Facilities Acquisition and Construction Services:							
Instructional Equipment				87,331			87,331
Total Facilities Acquisition and Construction Services				87,331			87,331
Total Expenditures	\$ 25,000	\$ 45,000	\$ 142,782	\$ 148,872	\$ 17,515	\$ 192,290	\$ 1,166,438

CAPITAL PROJECTS FUND

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenue and Other Financing Sources:	
Transfer from General Fund - Capital Outlay	\$ 187
Bond Anticipation Notes Retired	4,174,000
	4,174,187
Total Revenue and Other Financing Sources	4,174,187
Expenditures:	
Construction Services	1,636,748
	1,636,748
Total Expenditures	1,636,748
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	2,537,439
Fund Balance/(Deficit) - Beginning of Year	(2,537,439)
Fund Balance - End of Year	\$ -0-
Fund Balance GAAP Basis	\$ -0-

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
PARTIAL ROOF REPLACEMENTS AT LONG VALLEY MIDDLE SCHOOL AND OLD FARMERS ROAD
SCHOOL AND ELECTRICAL/HVAC UPGRADES TO OLD FARMERS ROAD SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Outlay		\$ 187	\$ 187	\$ 187
Bonds Anticipation Notes Retired		4,174,000	4,174,000	4,174,061
Total Revenue and Other Financing Sources		<u>4,174,187</u>	<u>4,174,187</u>	<u>4,174,248</u>
Expenditures:				
Purchased Professional and Technical Services	\$ 173,028		173,028	173,028
Construction Services	2,364,411	1,636,748	4,001,159	4,001,220
Total Expenditures and Other Financing Uses	<u>2,537,439</u>	<u>1,636,748</u>	<u>4,174,187</u>	<u>4,174,248</u>
Excess/(Deficit) of Revenue and Other Financing Financing Sources Over/(Under) Expenditures	<u>\$ (2,537,439)</u>	<u>\$ 2,537,439</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Additional Project Information:				
Bonds Authorized Date		1/28/2022		
Bonds Authorized		\$ 4,174,248		
Bonds Issued		4,174,000		
Original Authorized Cost		4,174,248		
Revised Authorized Cost		4,174,248		
Percentage Change over Original Authorized Cost		0.00%		
Percentage Completion		100.00%		
Original Target Completion Date		8/26/2022		

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance June 30, 2021</u>	<u>Matured</u>	<u>Balance June 30, 2022</u>
Referendum Project	7/21/2021	\$ 4,174,000	<u>\$ 4,174,000</u>	<u>\$ 4,174,000</u>	<u>\$ -0-</u>
			<u>\$ 4,174,000</u>	<u>\$ 4,174,000</u>	<u>\$ -0-</u>

PROPRIETARY FUNDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 147,459
Accounts Receivable:	
State	1,025
Federal	57,361
Inventories	13,943

Total Current Assets	<u>219,788</u>
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Non-Current Assets:

Capital Assets	379,140
Less: Accumulated Depreciation	<u>(365,516)</u>

Total Non-Current Assets	<u>13,624</u>
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Total Assets	<u>233,412</u>
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LIABILITIES:

Current Liabilities:

Unearned Revenue	<u>40,477</u>
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Total Current Liabilities	<u>40,477</u>
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NET POSITION:

Investment in Capital Assets	13,624
Unrestricted	<u>179,311</u>
Total Net Position	<u>\$ 192,935</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Operating Revenue:	
Local Sources:	
Daily Sales - Non-Reimbursable Programs	\$ 12,735
	<hr/>
Total Operating Revenue	12,735
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	9,153
Cost of Sales - Reimbursable Programs	295,937
Salaries, Benefits & Payroll Taxes	233,238
Professional and Technical Services	95,013
Repairs and Supplies	67,727
Depreciation Expense	9,187
	<hr/>
Total Operating Expenses	710,255
	<hr/>
Operating Loss	(697,520)
	<hr/>
Non-Operating Revenue:	
State Sources:	
COVID-19 - Seamless Summer Option	15,485
Federal Sources:	
P-EBT Administrative Cost	1,241
Emergency Operational Cost Program	65,453
COVID-19 - Seamless Summer Option	845,296
Food Distribution Program	98,270
	<hr/>
Total Non-Operating Revenue	1,025,745
	<hr/>
Change in Net Position	328,225
	<hr/>
Net Position/(Deficit) - Beginning of Year	(135,290)
	<hr/>
Net Position - End of Year	\$ 192,935
	<hr/> <hr/>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 13,213
Payments to Food Service Vendor	(584,241)
Payments to Suppliers	(18,557)
Payments to General Fund for Prior Year Interfund	<u>(172,131)</u>
Net Cash (Used for) Operating Activities	<u>(761,716)</u>
Cash Flows from Capital Financing Activities:	
Purchase of Capital Assets	<u>(8,243)</u>
Net Cash Used for Capital Financing Activities	<u>(8,243)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>917,418</u>
Net Cash Provided by Noncapital Financing Activities	<u>917,418</u>
Net Increase in Cash and Cash Equivalents	147,459
Cash and Cash Equivalents, July 1	<u>-0-</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 147,459</u></u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (697,520)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Federal Food Distribution Program	98,270
Depreciation	9,187
Changes in Assets and Liabilities:	
Decrease in Inventory	2,354
(Decrease) in Interfund Payable	(172,131)
(Decrease) in Unearned Revenue	<u>(1,876)</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (761,716)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Fund received USDA donated commodities valued at \$102,332 and used commodities valued at \$98,270 during the fiscal year.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Transportation</u>
<u>ASSETS:</u>	
Current Assets:	
Accounts Receivable:	
Intergovernmental - Other	\$ 42,399
	42,399
Total Current Assets	42,399
Non-Current Assets:	
Capital Assets	6,154,883
Less: Accumulated Depreciation	(3,702,592)
	2,452,291
Total Non-Current Assets	2,452,291
Total Assets	2,494,690
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	11,594
Interfund Payable	249,075
	260,669
Total Current Liabilities	260,669
Long-Term Liabilities:	
Financed Purchases Payable:	
Due Within One Year	338,070
Due Beyond One Year	662,671
	1,000,741
Total Long-Term Liabilities	1,000,741
Total Liabilities	1,261,410
<u>NET POSITION:</u>	
Net Investment in Capital Assets	1,451,550
Unrestricted/(Deficit)	(218,270)
	1,233,280
Total Net Position	\$ 1,233,280

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Transportation</u>
Operating Revenue:	
Local Sources:	
Charges and Fees	\$ 4,686,794
	<u>4,686,794</u>
Total Operating Revenue	<u>4,686,794</u>
Operating Expenses:	
Salaries, Benefits and Payroll Taxes	3,422,173
Professional and Technical Services	153,992
Maintenance	683,714
Supplies and Materials	8,542
Depreciation	446,296
	<u>4,714,717</u>
Total Operating Expenses	<u>4,714,717</u>
Operating Income	<u>(27,923)</u>
Non-Operating Expense:	
Interest Expense on Financed Purchases	(15,073)
	<u>(15,073)</u>
Total Non-Operating Expense	<u>(15,073)</u>
Change in Net Position	(42,996)
Net Position - Beginning of Year	<u>1,276,276</u>
Net Position - End of Year	<u>\$ 1,233,280</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Transportation</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 4,673,016
Payments to Suppliers	<u>(4,201,245)</u>
Net Cash Provided by/(Used for) Operating Activities	<u>471,771</u>
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(69,609)
Interest Expense on Financed Purchases	(15,073)
Financed Purchases Principal Payments	<u>(387,089)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(471,771)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	-0-
Cash and Cash Equivalents, July 1	<u>-0-</u>
Cash and Cash Equivalents, June 30	<u>\$ -0-</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (27,923)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	446,296
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(13,778)
Increase/(Decrease) in Accounts Payable	(10,514)
Increase/(Decrease) in Interfunds Payable	<u>77,690</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 471,771</u>

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

WASHINGTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance June 30, 2021	Matured	Balance June 30, 2022
			Date	Amount				
Refunding of 2003 Bonds	8/15/2010	\$ 12,260,000	7/15/2022	\$ 1,350,000	3.00%	\$ 3,885,000	\$ 1,320,000	\$ 2,565,000
			7/15/2023	1,215,000	3.00%			
						<u>\$ 3,885,000</u>	<u>\$ 1,320,000</u>	<u>\$ 2,565,000</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Item	Interest Rate	Original Issue	Balance June 30, 2021	Issued	Matured	Balance June 30, 2022
<u>General Fund:</u>						
Chromebooks, iPads	0.988%	\$ 243,245		\$ 243,245	\$ 81,880	\$ 161,365
Total General Fund				243,245	81,880	161,365
<u>Internal Service Fund:</u>						
Buses	1.750%	468,839	\$ 48,814		48,814	
Buses	3.280%	436,788	166,482		81,898	84,584
Buses	2.040%	563,900	454,111		110,112	343,999
Buses	0.898%	718,423		718,423	146,265	572,158
Total Internal Service Fund			669,407	718,423	387,089	1,000,741
Total Financed Purchases			\$ 669,407	\$ 961,668	\$ 468,969	\$ 1,162,106

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,408,739		\$ 1,408,739	\$ 1,408,739	
State Sources:					
Debt Service Type II Aid	1,429,774		1,429,774	1,429,774	
Total Revenue	2,838,513		2,838,513	2,838,513	
EXPENDITURES:					
Regular Debt Service:					
Interest	127,968		127,968	127,237	\$ 731
Redemption of Principal	5,494,000		5,494,000	5,494,000	
Total Regular Debt Service	5,621,968		5,621,968	5,621,237	731
Total Expenditures	5,621,968		5,621,968	5,621,237	731
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(2,783,455)		(2,783,455)	(2,782,724)	731
OTHER FINANCING SOURCES:					
Transfer In - Capital Reserve	2,775,444		2,775,444	2,775,444	
Total Other Financing Sources	2,775,444		2,775,444	2,775,444	
Fund Balance, July 1	8,011		8,011	8,011	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ 731	\$ 731
<u>Recapitulation of Fund Balance</u>					
Restricted				\$ 731	

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	June 30,				
	2013	2014	2015	2016	2017
Governmental Activities					
Net Investment in Capital Assets	\$ 30,550,534	\$ 30,705,497	\$ 32,929,331	\$ 33,572,340	\$ 33,877,875
Restricted	2,577,921	1,924,520	2,289,164	1,240,224	1,440,224
Unrestricted/(Deficit)	2,135,189	(12,678,217)	(14,871,251)	(14,156,191)	(15,487,836)
Total Governmental Activities Net Position	<u>\$ 35,263,644</u>	<u>\$ 19,951,800</u>	<u>\$ 20,347,244</u>	<u>\$ 20,656,373</u>	<u>\$ 19,830,263</u>
Business-type Activities					
Investment in Capital Assets	\$ 112,125	\$ 106,226	\$ 94,955	\$ 80,434	\$ 60,642
Unrestricted/(Deficit)	(204,182)	(218,697)	(135,316)	(141,436)	(134,256)
Total Business-type Activities Net Position/(Deficit)	<u>\$ (92,057)</u>	<u>\$ (112,471)</u>	<u>\$ (40,361)</u>	<u>\$ (61,002)</u>	<u>\$ (73,614)</u>
District-wide					
Net Investment in Capital Assets	\$ 30,662,659	\$ 30,811,723	\$ 33,024,286	\$ 33,652,774	\$ 33,938,517
Restricted	2,577,921	1,924,520	2,289,164	1,240,224	1,440,224
Unrestricted/(Deficit)	1,931,007	(12,896,914)	(15,006,567)	(14,297,627)	(15,622,092)
Total District Net Position	<u>\$ 35,171,587</u>	<u>\$ 19,839,329</u>	<u>\$ 20,306,883</u>	<u>\$ 20,595,371</u>	<u>\$ 19,756,649</u>

	June 30,				
	2018	2019	2020	2021	2022
Governmental Activities					
Net Investment in Capital Assets	\$ 33,912,575	\$ 33,845,295	\$ 34,033,647	\$ 36,347,933	\$ 37,851,997
Restricted	1,773,927	2,761,872	4,308,829	4,328,230	1,995,249
Unrestricted/(Deficit)	(16,717,524)	(16,913,190)	(16,284,569)	(16,286,666)	(11,054,920)
Total Governmental Activities Net Position	<u>\$ 18,968,978</u>	<u>\$ 19,693,977</u>	<u>\$ 22,057,907</u>	<u>\$ 24,389,497</u>	<u>\$ 28,792,326</u>
Business-type Activities					
Investment in Capital Assets	\$ 46,014	\$ 31,390	\$ 25,065	\$ 14,568	\$ 13,624
Unrestricted/(Deficit)	(122,229)	(107,578)	(129,373)	(149,858)	179,311
Total Business-type Activities Net Position/(Deficit)	<u>\$ (76,215)</u>	<u>\$ (76,188)</u>	<u>\$ (104,308)</u>	<u>\$ (135,290)</u>	<u>\$ 192,935</u>
District-wide					
Net Investment in Capital Assets	\$ 33,958,589	\$ 33,876,685	\$ 34,058,712	\$ 36,362,501	\$ 37,865,621
Restricted	1,773,927	2,761,872	4,308,829	4,328,230	1,995,249
Unrestricted/(Deficit)	(16,839,753)	(17,020,768)	(16,413,942)	(16,436,524)	(10,875,609)
Total District Net Position	<u>\$ 18,892,763</u>	<u>\$ 19,617,789</u>	<u>\$ 21,953,599</u>	<u>\$ 24,254,207</u>	<u>\$ 28,985,261</u>

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
Instruction:										
Regular	\$16,799,927	\$17,115,111	\$19,089,714	\$19,823,737	\$21,550,075	\$22,927,663	\$23,249,255	\$22,612,668	\$23,543,832	\$20,649,833
Special Education	6,165,305	6,615,956	7,893,868	8,659,630	10,093,387	9,903,395	9,760,735	9,928,216	10,077,903	9,190,276
Other Special Education	1,076,548	1,120,553	1,653,039	1,704,964	2,391,859	2,129,137	1,413,149	1,485,311	1,619,925	2,060,880
School Sponsored/Other Instruction	213,603	249,056	334,792	352,981	177,474	378,443	384,797	326,981	105,395	288,876
Support Services:										
Tuition	1,478,347	1,283,355	1,338,469	1,089,551	1,450,741	1,581,745	1,524,562	1,276,869	1,013,535	541,766
Student & Instruction Related Services	6,852,635	7,232,507	8,021,352	8,678,706	9,544,258	10,008,483	10,756,611	10,818,860	10,477,895	9,988,359
General Administrative Services	854,868	790,069	861,609	899,002	877,703	932,218	981,500	988,038	1,065,670	837,715
School Administrative Services	1,950,083	1,680,145	2,084,284	1,814,291	1,965,221	2,101,492	2,253,681	2,295,832	2,374,815	2,165,697
Central Services	694,031	720,253	729,583	781,993	900,989	938,605	965,398	986,365	1,008,133	931,244
Technology Services	8,071	11,731	6,057	45,747	1,425	1,294	4,542	7,076	2,750	12,690
Plant Operations and Maintenance	3,727,211	3,993,337	4,265,266	4,419,113	4,826,969	4,801,893	5,396,298	5,093,739	5,667,590	5,057,269
Pupil Transportation	5,307,703	4,898,277	4,958,457	4,683,483	5,186,198	5,176,744	5,590,077	5,064,649	4,802,868	5,459,090
Interest on Long-term Debt	529,215	476,752	440,843	402,967	358,366	312,266	306,314	249,403	207,614	193,300
Transfer to Charter School	116,080	93,182	79,771	70,887	47,088	81,809	49,048	78,664	77,718	22,109
Capital Outlay	141,310	1,594,755	41,548		258,683	41,549				278,849
Total Governmental Activities Expenses	45,914,937	47,874,839	51,798,652	53,427,052	59,630,436	61,316,736	62,635,967	61,212,671	62,045,643	57,677,953
Business-type Activities:										
Food Service	670,954	646,701	590,276	578,631	550,979	514,122	507,449	417,582	458,161	710,255
Total Business-type Activities Expenses	670,954	646,701	590,276	578,631	550,979	514,122	507,449	417,582	458,161	710,255
Total District Expenses	46,585,891	48,521,540	52,388,928	54,005,683	60,181,415	61,830,858	63,143,416	61,630,253	62,503,804	58,388,208
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular Instruction						12,888	26,238	46,690		
Pupil Transportation	989,994	1,052,689	1,101,469	1,303,236	1,420,193	1,502,366	1,638,633	1,438,688	1,104,441	1,403,913
Operating Grants and Contributions	13,166,080	12,465,798	17,282,809	19,075,209	23,188,978	24,574,950	24,839,254	24,420,173	25,894,743	21,241,477
Total Governmental Activities	14,156,074	13,518,487	18,384,278	20,378,445	24,609,171	26,090,204	26,504,125	25,905,551	26,999,184	22,645,390

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGE IN NET POSITION, LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type Activities:										
Charges for Services										
Food Service	\$ 505,557	\$ 514,929	\$ 483,787	\$ 453,066	\$ 443,317	\$ 421,502	\$ 421,623	\$ 314,601	\$ 17,036	\$ 12,735
Operating Grants and Contributions	106,059	111,358	103,599	104,924	95,050	90,019	85,853	74,861	410,143	1,025,745
Total Business-type Activities	611,616	626,287	587,386	557,990	538,367	511,521	507,476	389,462	427,179	1,038,480
Program Revenues	14,767,690	14,144,774	18,971,664	20,936,435	25,147,538	26,601,725	27,011,601	26,295,013	27,426,363	23,683,870
Total District Program Revenues										
Net (Expense)/Revenue:										
Governmental Activities	(31,758,863)	(34,356,352)	(33,414,374)	(33,048,607)	(35,021,265)	(35,226,532)	(36,131,842)	(35,307,120)	(35,046,459)	(35,032,563)
Business-type Activities	(59,338)	(20,414)	(2,890)	(20,641)	(12,612)	(2,601)	27	(28,120)	(30,982)	328,225
Total District-wide Net Expense	(31,818,201)	(34,376,766)	(33,417,264)	(33,069,248)	(35,033,877)	(35,229,133)	(36,131,815)	(35,335,240)	(35,077,441)	(34,704,338)
General Revenues and Other										
Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	30,409,527	30,565,878	31,128,290	31,549,550	32,451,543	33,500,730	34,582,119	35,273,761	35,626,700	36,339,234
Taxes Levied for Debt Service	1,474,574	1,477,238	1,481,324	1,473,449	1,468,850	1,457,750	1,445,250	1,431,350	1,391,550	1,408,739
Unrestricted Grants and Contributions	100,702	453,893	1,077,663	112,689	92,876	507,398	507,398	1,584	109,681	1,443,423
Miscellaneous Income		235,325	197,541	222,048	181,885	234,027	521,701	262,306	250,118	243,996
Other Items		(75,000)					(199,628)	103,497		
Total Governmental Activities	31,984,803	32,732,334	33,809,818	33,357,736	34,195,154	35,192,507	36,856,840	37,072,498	37,378,049	39,435,392
Business-type Activities:										
Transfers										
Total Business-type Activities										
Total District-wide	31,984,803	32,732,334	33,884,818	33,357,736	34,195,154	35,192,507	36,856,840	37,072,498	37,378,049	39,435,392
Change in Net Position:										
Governmental Activities	225,940	(1,624,018)	395,444	309,129	(826,111)	(34,025)	724,998	1,765,378	2,331,590	4,402,829
Business-type Activities	(59,338)	(20,414)	72,110	(20,641)	(12,612)	(2,601)	27	(28,120)	(30,982)	328,225
Total District	\$ 166,602	\$ (1,644,432)	\$ 467,554	\$ 288,488	\$ (838,723)	\$ (36,626)	\$ 725,025	\$ 1,737,258	\$ 2,300,608	\$ 4,731,054

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 1,422,354	\$ 429,776	\$ 640,211	\$ 1,140,311	\$ 1,340,311	\$ 1,674,014	\$ 2,761,872	\$ 4,272,928	\$ 4,300,342	\$ 1,971,381
Assigned	617,523	997,652	1,136,067	1,085,312	1,219,550	1,009,470	825,382	1,656,068	1,576,464	1,961,946
Unassigned	610,445	474,683	306,044	267,316	223,107	746,705	404,208	659,638	1,886,663	1,946,407
Total General Fund	\$ 2,650,322	\$ 1,902,111	\$ 2,082,322	\$ 2,492,939	\$ 2,782,968	\$ 3,430,189	\$ 3,991,462	\$ 6,588,634	\$ 7,763,469	\$ 5,879,734
All Other Governmental Funds:										
Restricted	\$ 1,155,567	\$ 1,494,744	\$ 512,886	\$ 99,913	\$ 99,913	\$ 99,913		\$ 35,901	\$ 27,888	\$ 23,868
Committed				185,217	278,093	278,093		(456,167)	(2,537,439)	
Unassigned/(Deficit)							\$ (103,760)			
Total All Other Governmental Funds/(Deficit)	\$ 1,155,567	\$ 1,494,744	\$ 512,886	\$ 285,130	\$ 378,006	\$ 378,006	\$ (103,760)	\$ (420,266)	\$ (2,509,551)	\$ 23,868
Total All Funds	\$ 3,805,889	\$ 3,396,855	\$ 2,595,208	\$ 2,778,069	\$ 3,160,974	\$ 3,808,195	\$ 3,887,702	\$ 6,168,368	\$ 5,253,918	\$ 5,903,602

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax Levy	\$ 31,884,101	\$ 32,043,116	\$ 32,609,614	\$ 33,022,999	\$ 33,920,393	\$ 34,958,480	\$ 36,027,369	\$ 36,705,111	\$ 37,018,250	\$ 37,747,973
Miscellaneous	331,301	235,325	235,514	258,713	255,029	319,275	628,400	358,289	313,351	457,061
State Sources	12,429,866	12,295,444	13,432,097	13,080,202	13,607,303	14,560,511	15,620,748	14,558,172	15,587,470	17,988,792
Federal Sources	633,461	624,247	624,220	639,034	620,572	611,896	604,362	560,021	752,992	975,536
Total Revenue	45,278,729	45,198,132	46,901,445	47,000,948	48,403,297	50,450,162	52,880,879	52,181,593	53,672,063	57,169,362
Expenditures										
Instruction										
Regular Instruction	12,164,627	12,198,315	12,243,182	12,183,304	12,245,582	12,286,588	12,270,756	11,812,189	12,267,438	12,075,570
Special Education Instruction	4,431,552	4,620,921	4,883,954	5,165,139	5,317,895	5,069,499	4,934,553	5,025,387	4,982,671	5,234,508
Other Special Instruction	760,896	777,184	1,018,631	1,008,048	1,356,397	1,087,499	1,030,861	1,071,011	1,118,756	1,166,711
School Sponsored/Other Instruction	155,468	176,164	213,170	215,213		201,651	201,763	169,396	53,831	168,983
Support Services:										
Tuition	1,478,347	1,283,355	1,338,469	1,089,551	1,450,741	1,581,745	1,524,562	1,276,869	1,013,535	541,766
Student & Instruction Related Services	4,794,883	4,973,116	5,134,433	5,373,378	5,131,120	5,196,903	5,582,307	5,577,724	5,337,207	5,792,483
General Administrative Services	678,725	621,384	629,117	653,781	553,740	583,189	615,164	626,849	651,251	568,563
School Administrative Services	1,353,596	1,275,265	1,342,378	1,328,797	1,242,488	1,212,677	1,191,732	1,189,948	1,201,460	1,277,514
Central Services	500,890	513,563	462,632	477,691	495,118	499,579	508,331	519,774	518,286	548,131
Administrative Information Technology	8,071	11,731	6,057	1,845	1,425	1,294	4,542	7,076	2,750	12,690
Plant Operations and Maintenance	3,021,373	3,221,414	3,195,769	3,180,603	3,235,608	3,178,635	3,688,161	3,370,833	3,817,736	3,657,361
Pupil Transportation	3,245,398	3,000,524	2,854,026	2,823,051	3,017,810	3,367,344	3,702,853	3,563,124	3,572,053	3,666,250
Unallocated Benefits	10,059,386	9,430,757	9,867,408	11,301,551	12,414,982	13,939,157	14,974,191	14,450,318	16,185,197	18,443,849
Transfer to Charter Schools	116,080	93,182	79,771	70,887	47,088	81,809	49,048	78,664	77,718	22,109
Capital Outlay	1,414,766	1,633,739	2,877,770	957,989	434,043	57,622	50,410	440,476	2,395,074	2,139,198
Debt Service:										
Principal	985,000	1,025,000	1,065,000	1,095,000	1,135,000	1,170,000	1,205,000	1,240,000	1,250,000	5,494,000
Interest and Other Charges	489,573	452,237	416,325	378,450	333,850	287,750	240,250	183,339	141,550	127,237
Total Expenditures	45,658,631	45,307,851	47,628,092	47,304,278	48,412,887	49,802,941	51,774,484	50,602,977	54,586,513	60,936,923
Excess (Deficiency) of Revenues Over (Under) Expenditures	(379,902)	(109,719)	(726,647)	(303,330)	(9,590)	647,221	1,106,395	1,578,616	(914,450)	(3,767,561)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Bond Proceeds										\$ 4,174,000
Transfers In	\$ 1,198,000	\$ 1,702,905	\$ 709,337				\$ 37,724			
Transfers Out	(1,198,000)	(1,702,905)	(784,337)				(37,724)			
Cancellation of SDA Grant Receivable Financed Purchased (Non-budgeted)	599,081			\$ 486,191	\$ 392,495		(199,628)			243,245
Total Other Financing Sources (Uses)	599,081		(75,000)	486,191	392,495		(199,628)			4,417,245
Net Change in Fund Balances	\$ 219,179	\$ (109,719)	\$ (801,647)	\$ 182,861	\$ 382,905	\$ 647,221	\$ 906,767	\$ 1,578,616	\$ (914,450)	\$ 649,684
Debt Service as a Percentage of Noncapital Expenditures	3.4%	3.5%	3.4%	3.3%	3.2%	3.0%	2.9%	2.9%	2.7%	10.6%

WASHINGTON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals- Use of</u> <u>Facilities</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 3,612	\$ 35,935	\$ 88,299	\$ 100,702	\$ 228,548
2014	3,017	21,035	116,402	39,453	179,907
2015	2,306	17,550	114,267	63,418	197,541
2016	9,955	19,561	84,099	104,347	217,962
2017	19,163	17,650	87,277	57,795	181,885
2018	75,467	17,426	92,412	48,722	234,027
2019	167,593	18,690	205,807	155,849	547,939
2020	102,391	12,592	117,096	76,917	308,996
2021	5,813	15,890	190,465	37,950	250,118
2022	9,893	15,890	216,322	1,891	243,996

Source: Washington Township School District records

WASHINGTON TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	School Tax Rate ^b	(County Equalized Value)
2012	\$ 34,941,700	\$ 2,469,983,800	\$ 115,719,400	\$ 4,328,500	\$ 122,484,700	\$ 34,966,600	\$ 35,430,900	\$ 2,817,855,600	\$ 248,566,600	\$ 4,013,846	\$ 2,821,869,446	1.14	\$ 3,051,555,188
2013	31,560,000	2,478,920,800	115,230,000	4,334,500	119,232,700	34,966,600	35,358,200	2,819,602,800	252,694,900	1,383,066	2,820,985,866	1.13	2,896,200,018
2014	30,285,400	2,473,660,800	115,685,500	4,434,000	119,360,900	32,800,100	35,358,200	2,811,584,900	253,470,500	939,069	2,812,523,969	1.15	2,795,635,987
2015	29,795,600	2,472,018,300	114,769,000	4,412,000	115,548,400	32,800,100	35,358,200	2,804,701,600	254,218,200	935,217	2,805,636,817	1.69	2,843,585,328
2016	31,061,500	2,470,631,400	116,338,400	4,359,800	123,464,900	32,800,100	35,358,200	2,814,014,300	254,082,500	830,887	2,814,845,187	1.72	2,857,587,207
2017	29,395,800	2,478,120,100	116,160,600	4,353,600	122,738,600	32,238,700	35,054,600	2,818,062,000	254,082,300		2,818,062,000	1.78	2,896,024,012
2018	26,217,500	2,489,033,400	116,986,400	4,320,600	122,170,100	32,238,700	35,461,400	2,826,428,100	256,473,800		2,826,428,100	1.78	2,906,311,191
2019	25,652,900	2,485,591,200	117,377,100	4,350,900	118,219,200	30,938,700	35,461,400	2,817,591,400	259,513,500		2,817,591,400	1.88	2,890,035,246
2020	27,731,800	2,486,474,400	118,781,800	4,317,800	119,241,300	30,938,700	35,461,400	2,822,947,200	259,612,500		2,822,947,200	1.90	2,890,388,607
2021	24,270,700	2,486,001,600	119,325,300	4,505,300	118,254,600	30,938,700	35,461,400	2,818,757,600	259,612,500		2,818,757,600	1.93	2,891,663,641

Source: 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
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Washington School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt ^b	Total Direct	Washington Township	Morris County	
2012	\$ 1.08	\$ 0.05	\$ 1.14	\$ 0.41	\$ 0.27	\$ 1.81
2013	1.08	0.05	1.13	0.42	0.26	1.81
2014	1.08	0.05	1.15	0.43	0.26	1.84
2015	1.62	0.07	1.69	0.44	0.25	2.38
2016	1.64	0.08	1.72	0.45	0.26	2.42
2017	1.70	0.07	1.78	0.45	0.27	2.50
2018	1.71	0.07	1.78	0.46	0.27	2.51
2019	1.80	0.07	1.88	0.47	0.27	2.61
2020	1.83	0.07	1.90	0.47	0.27	2.64
2021	1.86	0.07	1.93	0.45	0.25	2.63

Source: Municipal Tax Collector and School Business Administrator

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	
	Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
		% of Total District Net Assessed Value		% of Total District Net Assessed Value
Heath Village		0.78%	Heath Village	0.77%
Target Corp	\$ 21,853,200	0.48%	Target Corp.	0.56%
Hackettstown 57 MP RK6 LLC	13,650,000	0.41%	2085 Realty Partners	0.43%
Peachtree Village	11,694,100	0.36%	Peachtree Village	0.36%
Bay Ridge Motor Sales	10,250,000	0.28%	Bay Ridge Motor Sales	0.28%
GPT Hackettstown Owner LLC	7,940,000	0.24%	Transistor Devices	0.27%
Amerace ESNA Corp	6,841,200	0.22%	Kings Hwy Invest Co.	0.26%
Columbia Gas Trans.	6,178,400	0.21%	Amerace ESNA Corp	0.22%
Long Valley Shopping Center	5,872,300	0.17%	Columbia Gas Transmission	0.21%
Long Valley Real Estate LLC	4,800,000	0.16%	Regency at Long Valley	0.20%
	4,570,800			
Total	\$ 93,650,000	3.32%	Total	\$ 100,675,600
				3.57%

Source: Municipal Tax Assessor

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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 31,884,101	\$ 31,884,101	100.00%	-0-
2014	32,043,116	32,043,116	100.00%	-0-
2015	32,609,614	32,609,614	100.00%	-0-
2016	33,022,999	33,022,999	100.00%	-0-
2017	33,920,393	33,920,393	100.00%	-0-
2018	36,039,869	36,039,869	100.00%	-0-
2019	36,027,369	36,027,369	100.00%	-0-
2020	36,705,111	36,705,111	100.00%	-0-
2021	37,018,250	37,018,250	100.00%	-0-
2022	37,747,973	37,747,973	100.00%	-0-

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

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

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

Year Ended June 30,	Governmental Activities			Total District	Percentage of	
	General Obligation Bonds	Bond Anticipation Notes	Financed Purchases		Personal Income ^a	Per Capita ^a
2013	\$ 13,070,000		\$ 927,427	\$ 13,997,427	0.94%	\$ 749.53
2014	12,045,000		776,740	12,821,740	0.85%	688.08
2015	10,980,000		1,372,813	12,352,813	0.94%	793.12
2016	9,885,000		1,586,448	11,471,448	0.70%	618.04
2017	8,750,000		1,782,930	10,532,930	0.62%	568.67
2018	7,580,000		1,140,699	8,720,699	0.50%	471.11
2019	6,375,000		978,068	7,353,068	0.41%	400.62
2020	5,135,000	\$ 4,174,000 *	1,149,377	10,458,377	0.57%	576.54
2021	3,885,000	4,174,000	1,116,394	9,175,394	0.50%	508.64
2022	2,565,000		1,162,106	3,727,106	0.20%	205.17

Source: School District Financial Reports

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

* Bond anticipation notes were authorized as of June 30, 2020, but were not issued until July 21, 2020.

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Bond Anticipation Notes			
2013	\$ 13,070,000			\$ 13,070,000	0.463%	\$ 699.87
2014	12,045,000			12,045,000	0.427%	646.40
2015	10,980,000			10,980,000	0.390%	704.98
2016	9,885,000			9,885,000	0.352%	532.57
2017	8,750,000			8,750,000	0.311%	472.41
2018	7,580,000			7,580,000	0.269%	409.49
2019	6,375,000			6,375,000	0.226%	347.34
2020	5,135,000		\$ 4,174,000 *	9,309,000	0.330%	513.18
2021	3,885,000		4,174,000	8,059,000	0.285%	446.75
2022	2,565,000			2,565,000	0.091%	141.20

Source: School District Financial Reports

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

* Bond anticipation notes were authorized as of June 30, 2020, but were not issued until July 21, 2020.

a See Exhibit J-6 for property tax data. This ratio is calculated using population and net valuation taxable for the prior calendar year.

b Population data can be found in Exhibit J-14. This ratio is calculated using population and net valuation taxable for the prior calendar year.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2021
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	\$ 10,370,000	100.00%	\$ 10,370,000
Morris County General Obligation Debt	247,308,706	2.88 %	7,121,728
West Morris Regional High School District	8,050,000	8.67%	<u>697,935</u>
Subtotal, overlapping debt			18,189,663
Washington Township School District Direct Debt			<u>2,565,000</u>
Total direct and overlapping debt			<u><u>\$ 20,754,663</u></u>

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

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 Washington Township. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2022

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$93,420,817	\$93,645,417	\$84,981,113	\$84,527,266	\$85,247,001	\$86,232,907	\$86,753,846	\$86,687,098	\$86,672,237	\$87,657,146
Total net debt applicable to limit	13,070,000	12,045,000	10,980,000	9,885,000	8,750,000	7,580,000	6,375,000	9,309,000	8,059,000	2,565,000
Legal debt margin	\$80,350,817	\$81,600,417	\$74,001,113	\$74,642,266	\$76,497,001	\$78,652,907	\$80,378,846	\$77,378,098	\$77,378,098	\$85,092,146
Total net debt applicable to the limit as a percentage of debt limit	13.99%	12.86%	12.92%	11.69%	10.26%	8.79%	7.35%	10.74%	10.74%	2.93%

	Equalized valuation basis
	2021
	2020
	2019
Average equalized valuation of taxable property	\$ 2,993,264,946
Debt limit (3% of average equalization value)	2,891,771,358
Net bonded school debt*	2,880,678,254
Legal debt margin	\$ 8,765,714,558
	\$ 2,921,904,853
	\$ 87,657,146
	2,565,000
	\$ 85,092,146

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

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

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

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income (a*b)	Township Unemployment Rate ^c
2013	18,634	\$ 80,815	\$ 1,505,906,710	5.00%
2014	15,575	84,278	1,312,629,850	4.60%
2015	18,561	88,335	1,639,585,935	4.30%
2016	18,522	91,148	1,688,243,256	3.50%
2017	18,511	93,633	1,733,240,463	3.40%
2018	18,354	97,819	1,795,369,926	3.20%
2019	18,140	101,646	1,843,858,440	2.70%
2020	18,039	102,227	1,844,072,853	6.60%
2021	18,166	102,227 *	1,857,055,682	4.80%
2022	18,166 **	102,227 *	1,857,055,682 ***	N/A

* - Latest Morris County per capita personal income available (2020) was used for calculation purposes.

** - Latest population data available (2021) was used for calculation purposes.

*** - Latest personal income data available (2021) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

^b Personal Income by county from the Bureau of Economic Analysis

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF MORRIS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2021		2012	
	Employees	Percentage Total	Employees	Percentage Total
Atlantic Health System	10,516	4.00%	6,200	2.29%
US Army Armament R&D	6,000	2.28%	5,841	2.16%
Novartis	5,200	1.98%	5,576	2.06%
Bayer	3,483	1.33%	1,947	0.72%
Barclays	3,000	1.14%	1,838	0.68%
Automatic Data Processing, Inc.	2,200	0.84%	1,662	0.61%
Accenture	2,009	0.76%	1,546	0.57%
Deloitte & Touche	1,492	0.57%	1,500	0.55%
St. Clare's Health System	1,491	0.57%	1,498	0.55%
County of Morris	1,438	0.55%	1,440	0.53%
Total	36,829	14.02%	29,048	10.75%
Total County Labor Force	262,719		270,282	
				Total Employment *

* Employment data provided by NJ Dept of Labor and Workforce Development

Source: Morris County Treasurer's Office

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	151	146	146	144	142	141	137	133	132	131
Special education	122	115	126	127	128	125	117	120	119	119
Support Services:										
Student & instruction related services	55	56	56	56	57	56	56	52	51	51
School administrative services	20	19	19	19	19	18	18	17	17	16
General administrative services	7	6	5	5	5	5	5	5	4	4
Plant operations and maintenance	26	28	28	28	28	28	28	28	28	28
Pupil transportation	42	41	40	41	41	41	40	40	40	40
Business and other support services	7	6	6	6	6	5	5	5	5	5
Food Service	4	2	1							
Total	434	419	427	426	426	419	407	400	396	394

Source: District Personnel Records

WASHINGTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	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	2,472	\$ 42,769,292	\$ 17,301	5.90%	219	1:13	1:12	2,463	2,348	-3.37%	95.33%
2014	2,357	42,196,875	17,903	3.48%	217	1:13	1:12	2,344	2,236	-4.83%	95.39%
2015	2,296	43,268,997	18,845	5.27%	216	1:13	1:12	2,280	2,180	-2.73%	95.61%
2016	2,197	44,872,839	20,425	8.38%	240	1:13	1:12	2,204	2,108	-3.33%	95.64%
2017	2,078	46,509,994	22,382	9.58%	239	1:13	1:12	2,086	1,998	-5.35%	95.78%
2018	2,086	48,287,569	23,148	3.42%	236	1:13	1:12	2,067	1,973	-0.91%	95.45%
2019	2,022	50,278,824	24,866	7.42%	225	1:13	1:12	2,010	1,917	-2.76%	95.37%
2020	2,038	48,739,162	23,915	-3.82%	225	1:13	1:12	2,025	1,954	0.75%	96.49%
2021	1,955	50,799,889	25,985	8.65%	223	1:13	1:12	1,926	1,881	-4.89%	97.66%
2022	1,923	53,176,488	27,653	6.42%	223	1:13	1:12	1,907	1,810	-0.99%	94.91%

Sources: Washington Township School District records

Note: Enrollment based on annual October district count.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Flocktown-Kossmann School (1969-1979)										
Square Feet	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	540	501	501	494	466	459	442	480	474	441
Old Farmers School (1969)										
Square Feet	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	392	358	358	329	329	328	307	309	310	319
Long Valley Middle School North and South (1949)										
Square Feet	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105
Capacity (students)	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Enrollment	951	892	892	868	797	775	752	727	720	717
Cucinella School (2006)										
Square Feet	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541
Capacity (students)	748	748	748	748	748	748	748	748	748	748
Enrollment	588	521	521	506	486	496	499	499	451	446
Administration Building (1954)										
Square Feet	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730

Number of Schools at June 30, 2022

Elementary = 3

Middle School = 1

High School = 0

Source: Washington Township School District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October district count.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

School Facilities	Fiscal Year Ended, June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Board of Education	\$ 2,787	\$ 2,087	\$ 2,209	\$ 2,480	\$ 2,441	\$ 2,632	\$ 5,050	\$ 2,475	\$ 1,810	\$ 1,550
Flocktown-Kossmann School	145,230	101,154	201,235	166,131	109,254	119,925	158,161	109,851	175,687	60,399
Old Farmers School	125,989	107,300	70,634	79,350	90,549	69,913	113,131	45,291	63,566	150,189
Long Valley Middle School	159,871	285,625	205,021	264,970	280,306	291,753	270,768	211,413	214,695	207,986
Cucinella School	123,742	88,830	99,014	103,443	128,005	127,412	199,806	151,318	123,907	106,165
Total	<u>\$ 557,619</u>	<u>\$ 584,996</u>	<u>\$ 578,113</u>	<u>\$ 616,374</u>	<u>\$ 610,554</u>	<u>\$ 611,635</u>	<u>\$ 746,916</u>	<u>\$ 520,348</u>	<u>\$ 579,665</u>	<u>\$ 526,289</u>

Source: Washington Township School District records

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
UNAUDITED

School Package Policy -	Coverage	Deductible
American Alternative Insurance Corp.		
Property - Blanket Building and Contents	\$ 95,608,971	\$ 5,000
Commercial General Liability	1,000,000	
Comprehensive Automotive Liability	1,000,000	
Comprehensive Crime Coverage, Employee Dishonesty	500,000	5,000
Comprehensive Crime Coverage, Forgery or Alteration	250,000	5,000
Comprehensive Crime, Computer Fraud	250,000	5,000
 Computer and Scheduled Equipment - American Alternative Insurance Corp		
EDP	Included in Blanket Limit	1,000
Blanket Tools & Equipment	250,000	500
Cameras, Musical Instruments	Included in Blanket Limit	500
 Boiler and Machinery - American Alternative Insurance Corp.		
Property Damage	Included in Blanket Limit	5,000
 Umbrella Liability		
Umbrella Policy - American Guarantee & Liability Insurance Company	10,000,000	
Excess Liability - Hudson/Allied/Markel-\$30,000,000	30,000,000	
 School Board Legal Liability - American Alternative Insurance Corp.		
Educator's Legal Liability	1,000,000	5,000
 Public Employees' Faithful Performance Blanket		
Position Bond		
Board Secretary	10,000	
 Special Risks		
Flood/Earthquake - American Alternative Insurance Corp.		
Per Property Limit Flood	5,000,000	50,000
Per Property Limit Earthquake	5,000,000	100,000
Volunteers - Berkeley Life and Health Ins. Co.	5,000	
Environmental - ACE American Ins. Co.	1,000,000	10,000
 Cyber & Technology - XL Caitlin		
Combined Policy Aggregate Limit	2,000,000	15,000
 Morris Essex Insurance Group:		
Worker's Compensation:		
(a) Statutory Benefits	Included	
(b) Employer's Liability	5,000,000	
Supplemental Coverage (optional)	Included	

Source: Washington Township School District Records.

SINGLE AUDIT SECTION



Mount Arlington, NJ
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Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Washington Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 3, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Washington Township School District
Page 2

Report on Compliance and Other Matters

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

Purpose of this Report

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

February 3, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant



Report on Compliance For Each Major Federal and State Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Washington Township School District (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance 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 (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
Washington Township School District
Page 2

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

The Honorable President and Members
of the Board of Education
Washington Township School District
Page 3

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

February 3, 2023
Mount Arlington, New Jersey

NISIVOC CIA LLP

Francis Jones of Nisiroccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	State Account Number	Grant Period	Award Amount	Balance Accounts Receivable/ (Unearned Revenue) 6/30/2021	Cash Received	Budgetary Expenditures	Balance 6/30/2022		Amounts Paid to Subrecipients
								Accounts Receivable	Unearned Revenue	
U.S. Department of Agriculture Passed-through State Department of Agriculture: SNAP Cluster:										
COVID19 - P-EBT Administrative Cost	10.649	N/A	7/1/21-6/30/22	\$ 1,241		\$ 1,241	(1,241)			
Total SNAP Cluster						1,241	(1,241)			
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/21-6/30/22	98,270		98,270	(95,407)		\$ 2,863	
Federal Food Distribution Program	10.555	N/A	7/1/20-6/30/21	32,250	\$ 6,925		(6,925)			
COVID-19 Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	845,296		787,935	(845,296)	\$ (57,361)		
COVID-19 Seamless Summer Option	10.555	N/A	10/1/20-6/30/21	355,226	(44,616)	44,616				
COVID19 - Emergency Operational Cost Program	10.555	N/A	7/1/21-6/30/22	65,453		65,453	(65,453)			
Total Child Nutrition Cluster					(37,691)	996,274	(1,013,081)	(57,361)	2,863	
Total U.S. Department of Agriculture					(37,691)	997,515	(1,014,322)	(57,361)	2,863	
Passed-through U.S. Department of Health and Human Services General Fund:										
Medical Assistance Program	93.778	N/A	7/1/21-6/30/22	13,649		13,649	(13,649)			
Total U.S. Department of Health and Human Services/Total Medicaid Cluster						13,649	(13,649)			
Special Revenue Fund:										
U.S. Department of Education Passed-through State Department of Education: Elementary and Secondary Education Act:										
Title I	84.010A	ESEA552022	7/1/21-9/30/22	46,019		22,812	(20,708)		2,104	
Title IIA	84.278A	ESEA552022	7/1/21-9/30/22	32,248		32,248	(32,248)			
Title III	84.365	ESEA552022	7/1/21-9/30/22	10,188		4,652	(8,377)	(3,725)		
Total Elementary and Secondary Education Act						59,712	(61,333)	(3,725)	2,104	
U.S. Department of Education Passed-through State Department of Education: Education Stabilization Fund:										
COVID19 - Coronavirus Response and Relief Supplemental Aid:										
ESSER II	84.425D	N/A	3/13/20-9/30/23	261,394	(76,700)	192,167	(142,782)	(27,315)		
Learning Acceleration	84.425D	N/A	3/13/20-9/30/23	25,000		25,000	(25,000)			
Mental Health	84.425D	N/A	3/13/20-9/30/23	45,000		45,000	(45,000)			
Total Education Stabilization Fund					(76,700)	262,167	(212,782)	(27,315)		

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	State Account Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Balance 6/30/2022		Amounts Paid to Subrecipients
							Accounts Receivable	Unearned Revenue	
							Balance 6/30/2021		
U.S. Department of Education									
Passed-through State Department of Education:									
Special Education Cluster:									
I.D.E.A. Part B, Preschool	84.173	PS-5520-22	7/1/21-9/30/22	\$ 26,062	\$ 26,062	\$ (26,062)			
I.D.E.A. Part B, Basic	84.027A	FT-5520-22	7/1/21-9/30/22	504,701	504,701	(504,701)			
COVID19 - ARP - I.D.E.A. Part B, Basic	84.027X	N/A	7/1/21-9/30/22	82,507	2,883	(2,883)			
Total Special Education Cluster					533,646	(533,646)			
U.S. Department of Education									
Passed-through State Department of Education:									
American Rescue Plan Act									
COVID19 - ARP Non-Title I Formula	84.25U	N/A	1/1/22-12/31/22	522,787	133,872	(148,872)		\$ (15,000)	
Total American Rescue Plan Act					133,872	(148,872)		(15,000)	
Total Special Revenue Fund					989,397	(956,633)		(46,040)	\$ 2,104
Total Federal Awards					2,000,561	(1,984,604)		(103,401)	\$ 4,967
N/A - Not Applicable/Available									\$ -0-

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE AWARDS
FOR THE FISCAL 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	
				Budgetary Accounts Receivable	Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:									
General Fund:									
Categorical Special Education Aid	22-495-034-5120-089	7/1/21 - 6/30/22	\$ 1,591,751	\$ 1,439,213	\$ (1,591,751)	\$ (152,538)	\$ 1,591,751		\$ 1,591,751
Equalization Aid	21-495-034-5120-078	7/1/20 - 6/30/22	2,935,451	153,263	(153,263)		153,263		1,591,751
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	4,080,908	2,654,145	(392,935)	(281,306)	2,935,451		2,935,451
Categorical Security Aid	21-495-034-5120-084	7/1/20 - 6/30/22	176,840	392,935		(16,947)	176,840		4,080,908
Categorical Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	176,840	159,893	(17,027)		17,027		176,840
Categorical Transportation Aid	21-495-034-5120-014	7/1/20 - 6/30/22	457,507	413,664	(44,052)	(43,843)	457,507		176,840
Categorical Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	12,664	44,052	(11,546)	(12,664)			457,507
Non-Public Transportation Aid	21-495-034-5120-014	7/1/20 - 6/30/22	11,546						457,507
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	1,020,476						12,664
Extraordinary Aid	21-495-034-5120-044	7/1/20 - 6/30/22	878,494						11,546
Extraordinary Aid	22-495-034-5120-044	7/1/21 - 6/30/22	1,396,149						1,020,476
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21 - 6/30/22	1,354,126						1,020,476
Homeless Tuition Reimbursement	N/A	7/1/21 - 6/30/22	28,309						(1,396,149)
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21 - 6/30/22	6,968,716						(28,309)
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	98,319						(6,968,716)
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21 - 6/30/22	1,651,145						(98,319)
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	1,955						(1,651,145)
Total General Fund				(1,567,883)		(16,339,282)	(1,135,296)		1,955
Debt Service Fund:									
Debt Service Aid Type II	22-100-034-5120-124	7/1/21 - 6/30/22	1,429,774	1,429,774					(28,309)
Total Debt Service Aid				1,429,774					(28,309)
Total NJ Department of Education				(1,567,883)		(17,769,056)	(1,135,296)		6,968,716
New Jersey Department of Agriculture:									
Food Service Fund:									
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21 - 6/30/22	15,485	14,460		(1,025)			98,319
COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20 - 6/30/21	15,804	3,713	(3,713)				1,651,145
Total NJ Department of Agriculture				(3,713)		(15,485)	(1,025)		1,955
Total				17,707,009		(15,485)	(1,025)		1,955
				16,277,235		(16,339,282)	(1,629,930)		1,955
									1,955
									28,309
									6,968,716
									98,319
									1,651,145
									1,955
									19,722,303
									1,429,774
									1,429,774
									21,152,077

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Balance at June 30, 2022		Memo	
				Budgetary Accounts Receivable	GAAP Accounts Receivable			Budgetary Expenditures	Budgetary Receivable	Cumulative Total Expenditures	
NJ Schools Development Authority:											
General Fund:											
Securing our Children's Future Bond Act	N/A	4/1/20 - 6/30/24	\$ 107,093		\$ 107,093		\$ (107,093) *				
Total Schools Development Authority					107,093		(107,093)				
Total State Awards Subject to Single Audit Determination				\$ (1,571,596)	\$ 17,832,275		\$ (17,891,634)	\$ (1,136,321)	\$ (1,630,955)	\$ 21,183,366	
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21 - 6/30/22	\$ 6,968,716				\$ 6,968,716				
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	98,319				98,319				
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21 - 6/30/22	1,651,145				1,651,145				
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21 - 6/30/22	1,955				1,955				
Subtotal - On-Behalf TPAF Pension System Contributions							8,720,135				
Total State Awards Subject to Single Audit Major Program Determination							\$ (9,171,499)				

* - Expended in a prior year.

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Washington Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$112,643 for the general fund, and \$5,254 for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 13,649	\$ 16,559,018	\$ 16,572,667
Special Revenue Fund	961,886		961,886
Debt Service Fund		1,429,774	1,429,774
Food Service Fund	<u>1,014,322</u>	<u>15,485</u>	<u>1,029,807</u>
Total Awards	<u>\$ 1,989,857</u>	<u>\$ 18,004,277</u>	<u>\$ 19,994,134</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

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

Summary of Auditors' Results:

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

	<u>Assistance Listing</u> <u>Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>Federal:</u>				
Child Nutrition Cluster:				
Federal Food Distribution Program	10.555	7/1/21-6/30/22	\$ 98,270	\$ 95,407
Federal Food Distribution Program	10.555	7/1/20-6/30/21	32,250	6,925
COVID-19 Seamless Summer Option	10.555	7/1/21-6/30/22	845,296	845,296
COVID19 - Emergency Operational Cost Program	10.555	7/1/21-6/30/22	65,453	65,453
	<u>State</u> <u>Grant Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
<u>State:</u>				
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	\$1,396,149	\$ 1,396,149
Debt Service Aid Fund II	22-100-034-5120-124	7/1/21-6/30/22	1,429,774	1,429,774

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

Summary of Auditors' Results (Cont'd)

- The threshold for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a “low-risk auditee” for federal and state programs.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey’s OMB Circular 15-08.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior year recommendations.