

SCHOOL DISTRICT
OF
WASHINGTON TOWNSHIP

Washington Township School District
Board of Education
Washington, Warren County
New Jersey

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

Annual Comprehensive

Financial Report

of the

Washington Township School District

Board of Education

Washington, New Jersey

For the Fiscal Year Ending June 30, 2022

Prepared by

Washington Township School District

Board of Education

Finance Department

OUTLINE OF ACFR

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

FINANCIAL SECTION

Independent Auditor's Report	7-9
Required Supplementary Information – Part I Management's Discussion and Analysis	11-18
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	24
B-2 Statement of Revenues, Expenditures and Changes in Fund Balance	25
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Proprietary Funds:	
B-4 Statement of Net Position	27
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	28
B-6 Statement of Cash Flows	29
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	31-60
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule--General Fund	63-70
C1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	N/A
C-1b Community Block Development Grant (CDBG) – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule--Special Revenue Fund	71
Notes to Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	72

OUTLINE OF ACFR

Required Supplementary Information – Part III		<u>Page</u>
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1/L-3	Schedule of the District's Proportionate Share of the Net Pension Liability	73
L-2	Schedule of District Contributions	74
M.	Schedules Related to Accounting and Reporting for Other Post Employment Benefits	
M-1	Schedule of Changes in the State's Total OPEB Liability and Related Ratios (TPAF and PERS)	75
Notes to Required Supplementary Information - Part III		76
Other Supplementary Information		
D.	School Level Schedules:	
D-1	Combining Balance Sheet	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures, Special Revenue Fund – Budgetary Basis	79
E-2	Schedule(s) of Preschool Education Aid Expenditures – Preschool-All Programs- Budgetary Basis	N/A
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures	N/A
F-2	Summary Schedule of Revenues and Expenditures	N/A
F-2a	Detail Schedule of Revenues and Expenditures - By Project	N/A
G.	Proprietary Funds	
	Enterprise Fund:	
G-1	Combining Statement of Net Position	See B-4
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	See B-5
G-3	Combining Statement of Cash Flows	See B-6
	Internal Service Fund:	
G-4	Combining Statement of Net Position	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6	Combining Statement of Cash Flows	N/A

OUTLINE OF ACFR

Other Supplementary Information-(Continued)

	<u>Page</u>
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Budgetary Comparison Schedule Debt Service Fund	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	85
J-2 Changes in Net Position	86-87
J-3 Fund Balances - Governmental Funds	88
J-4 Changes in Fund Balances - Governmental Funds	89
J-5 General Fund Other Local Revenue by Source	90

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	91
J-7 Direct and Overlapping Property Tax Rates	92
J-8 Principal Property Taxpayers	93
J-9 Property Tax Levies and Collections	94

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	95
J-11 Ratios of General Bonded Debt Outstanding	96
J-12 Direct and Overlapping Governmental Activities Debt	97
J-13 Legal Debt Margin Information	98

Demographic and Economic Information

J-14 Demographic and Economic Statistics	99
J-15 Principal Employers	100

Operating Information

J-16 Full-time Equivalent District Employees by Function/Program	101
J-17 Operating Statistics	102
J-18 School Building Information	103
J-19 Schedule of Required Maintenance Expenditures by School Facility	104
J-20 Insurance Schedule	105

OUTLINE OF ACFR

SINGLE AUDIT SECTION		<u>Page</u>
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	107-108
K-2	Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB's circular 15-08	109-111
K-3	Schedule of Expenditures of Federal Awards, Schedule A	112
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	113
K-5	Notes to the Schedules of Awards and Financial Assistance	114-115
K-6	Schedule of Findings and Questioned Costs	116-118
K-7	Summary Schedule of Prior Audit Findings	119

Introductory Section



WASHINGTON
TOWNSHIP
SCHOOL DISTRICT

Jean Flynn
Business Administrator

District Central Office
Old Schoolhouse
One East Front Street
Washington, NJ 07882

Washington, NJ 07882 908 689-1119 x1606

Keith T. Neuhs
Superintendent

District Central Office
Old Schoolhouse
One East Front Street
908 689-1119 x1602

Honorable President and
Members of the Board of Education
Washington Township School District
Warren County
Washington, New Jersey 07882

Dear Board Members:

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

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

1. REPORTING ENTITY AND ITS SERVICES: Washington Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Washington Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK through sixth grade. These include regular, as well as special education for handicapped youngsters. The District completed the 2021-2022 fiscal year with an enrollment of 401 students, which is seven students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Resident Enrollment
6/30/2022

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
6/30/22	401	1.8% increase
6/30/21	394	6.0% decrease
6/30/20	419	.4% decrease
6/30/19	421	7.0% decrease
6/30/18	453	3.0% decrease
6/30/17	467	4.5% decrease
6/30/16	489	6.1% decrease
6/30/15	521	4.9% decrease
6/30/14	548	8.7% decrease
6/30/13	600	0.6% decrease
6/30/12	604	1.7% decrease

2. ECONOMIC CONDITION AND OUTLOOK: Expansion within Washington Township has leveled off during the past ten years. Limited growth is projected in the Township for the next few years. The greatest concern to the district is the continued loss of State Aid. As State Aid is reduced, the district will continue to examine efficiencies to reduce costs and limit the impact to local taxpayers.

3. MAJOR INITIATIVES: The Washington Township Board of Education is committed to student achievement and academic excellence. The District's initiatives for the 2021-22 school year reflected the Board's commitment to students.

The district continued to provide students with up-to-date technology through the purchase of updated iPads for students and new Touchboards for classrooms. The district continuously reviews technology needs and makes sure to integrate new devices each year so that the remains up to date. Additional technology infrastructure and licenses were updated to ensure the district's networking and Wi-Fi system functioned at increased capacity.

To ensure a safe environment for students and staff, the district continued significant investments in its facilities. Improvements to the buildings included the installation of emergency generators for each school, new floor installations in several classrooms at the Port Colden School, the replacement of the roof at the Old Schoolhouse, and blind replacements in all classrooms. Additionally, a new driveway loop was installed at the Brass Castle School to improve traffic flow and safety for students during arrival and dismissal times.

To ensure student safety, the Board continues to support the hiring of full-time School Resource Officer for each building.

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

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

7. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service revenues for the fiscal year ended June 30, 2022, and the amount and percentage of increases in relation to prior year revenues.

Revenues:

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local	\$6,961,878	61.76%	\$333,569	5.03%
State	3,835,158	34.02%	(12,173)	-0.32%
Federal	475,485	4.22%	59,097	14.19%
Total	\$11,272,521	100.00%	\$380,493	3.49%

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2022 and the percentage of increases and decreases in relation to prior year amounts.

Expenditures:

<u>Classification</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Current Expense				
Instruction	\$3,231,543	28.46%	\$(106,683)	-3.20%
Undistributed	7,145,901	62.93%	627,633	9.63%
Total	10,377,444	91.39%	520,950	5.29%
Capital Outlay	484,888	4.27%	297,549	158.83%
Debt Service	-		-	
Special Revenue	492,603	4.34%	75,588	18.13%
Total	\$11,354,935	100.00%	\$894,087	8.55%

8. DEBT ADMINISTRATION: On June 30, 2022, the District's had no outstanding debt issues.

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

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

11. OTHER INFORMATION:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ardito & Company, LLP, was appointed by the Washington Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. ACKNOWLEDGMENTS:

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

Respectfully submitted,

Signature: _____

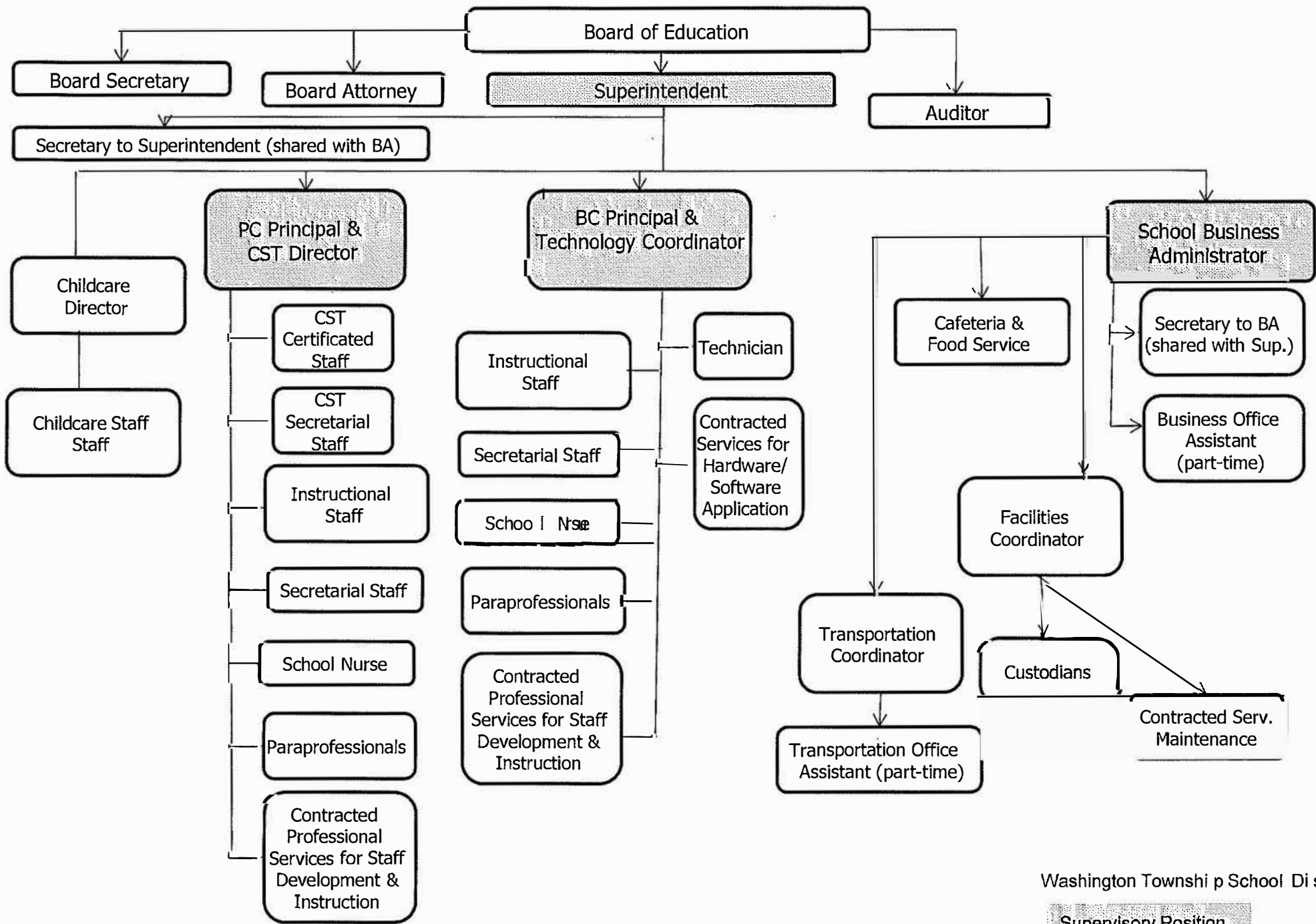


Business Administrator

Signature: _____



Superintendent/CSA



Washington Township School District

Supervisory Position

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

ROSTER OF OFFICIALS

June 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Karen Graf, President	2022
Edward S. Kemp, Jr., Vice-President	2023
Kristopher Eisner	2024
Patrick Rock	2024
Kimberley Morris	2022
Nick Riess	2022
Jennifer Knittel	2024

Other Officials

Keith T. Neuhs, Superintendent

Jean Flynn, Board Secretary/School Business Administrator

Nathanya Simon, Attorney

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

CONSULTANTS AND ADVISORS

ARCHITECT

**Gianforcaro
Architects-Engineers-Planners
501 Route 206 North
Chester, New Jersey 07930**

AUDIT FIRM

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

ATTORNEY

**Scarinci & Hollenbeck LLC
1100 Valley Brook Avenue
P.O. Box 790
Lyndhurst, New Jersey 07071-0790**

OFFICIAL DEPOSITORY

**Fulton Bank of New Jersey
157 Route 31, North
Oxford, New Jersey 07863**

Financial Section

Independent Auditor's Report



ARDITO & COMPANY LLC

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

Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report

The Honorable President and
Members of the Board of Education
Washington Township School District
County of Warren
Washington, New Jersey 07882

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Township School District Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Washington Township School District Board of Education, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Washington Township School District Board of Education, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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.

-Continued-

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 generally accepted auditing standards and ***Government Auditing Standards*** 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 generally accepted auditing standards and ***Government Auditing Standards***, 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, budgetary comparison information and pension and post-employment benefit trend information as noted in the table of contents 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, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington Township School District Board of Education's basic financial statements. The combining and individual non-

major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance, 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 OMB's Circulars 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 combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 January 20, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Required Supplementary Information - Part I

Management's Discussion and Analysis

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

The discussion and analysis of Washington Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ◆ In total, Net Position increased \$573,599 which represents a 21.3% increase from 2021.
- ◆ General revenues accounted for \$6,847,098 in revenue or 61.1% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,361,712 or 38.9% of total revenues of \$11,208,810.
- ◆ Total assets of governmental activities increased by \$523,250, as cash and cash equivalents decreased by \$78,536, receivables increased by \$380,120, and capital assets increased by \$221,882.
- ◆ The School District had \$10,635,211 in expenses; only \$4,361,712 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$6,847,098 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$10,779,587 in revenues and \$10,862,332 in expenditures. The General Fund's surplus balance decreased \$82,745 over 2021, which compares favorably to the budgeted decrease of \$501,272.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2022?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major funds begins on page 23. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the School District’s Net Position for 2022 compared to 2021.

**Table 1
Net Position**

	<u>2022</u>	<u>2021</u>
Assets		
Current and Other Assets	\$ 2,660,689	\$ 2,359,321
Capital Assets	<u>3,226,173</u>	<u>3,004,291</u>
Total Assets	<u>5,886,862</u>	<u>5,363,612</u>
Deferred Outflows of Resources	<u>256,406</u>	<u>488,009</u>
Liabilities		
Long-Term Liabilities	47,643	47,620
Other Liabilities	<u>1,638,930</u>	<u>1,803,700</u>
Total Liabilities	<u>1,686,573</u>	<u>1,851,320</u>
Deferred Inflows of Resources	<u>1,191,324</u>	<u>1,308,529</u>
Net Position		
Invested in Capital Assets, Net of Debt	3,226,173	3,004,291
Restricted	1,578,988	1,694,456
Unrestricted	<u>(1,539,790)</u>	<u>(2,006,975)</u>
Total Net Position	<u>\$ 3,265,371</u>	<u>\$ 2,691,772</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Total assets of governmental activities increased by \$523,250, as cash and cash equivalents decreased by \$78,536, receivables increased by \$380,120, and capital assets increased by \$221,882.

The cash decrease was mainly due to planned capital spending. Receivables increased due to federal COVID grants not collected until the subsequent year, and the increase in capital assets was due additions, net of depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2021.

Table 2
Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 156,333	\$ 111,657
Operating Grants and Contributions	4,205,379	5,676,307
General Revenues:		
Property Taxes	6,648,685	6,489,777
Investment Earnings	547	1,611
Other	197,866	36,609
Total Revenues	<u>11,208,810</u>	<u>12,315,961</u>
Program Expenses		
Instruction	4,856,783	5,842,524
Support Services:		
Tuition	66,051	71
Pupils and Instructional Staff	2,066,154	2,174,171
General Administration, School Administration, Business	1,102,450	1,209,524
Operations and Maintenance of Facilities	1,338,428	1,534,574
Pupil Transportation	725,226	702,533
Business-Type Activities	247,705	147,924
Interest and Fiscal Charges	232,414	197,942
Total Expenses	<u>10,635,211</u>	<u>11,809,263</u>
Increase in Net Position	<u>\$ 573,599</u>	<u>\$ 506,698</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 59.3% percent of revenues for governmental activities for the Washington Township School District for the fiscal year 2022.

Instruction comprises 45.7% of district expenses. Support services expenses make up 49.8% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>
Instruction	\$ 4,856,783	\$ 2,809,278	\$5,842,524	\$2,842,600
Support Services:				
Tuition	66,051	43,566	71	39
Pupils and Instructional Staff	2,066,154	1,163,354	2,174,171	1,068,149
General Admin., School Admin., Business	1,102,450	727,156	1,209,524	667,993
Operation and Maintenance of Facilities	1,338,428	882,803	1,534,574	847,512
Pupil Transportation	725,226	478,346	702,533	387,994
Business-Type Activities	247,705	(63,418)	147,924	9,070
Interest and Fiscal Charges	<u>232,414</u>	<u>232,414</u>	<u>197,942</u>	<u>197,942</u>
Total Expenses	<u>\$ 10,635,211</u>	<u>\$ 6,273,499</u>	<u>\$ 11,809,263</u>	<u>\$ 6,021,299</u>

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

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

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

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

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

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

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

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

The dependence upon tax revenues is apparent. Over 57.8% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 62.2%. The community, as a whole, is the primary support for the Washington Township School District.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$11,272,521 and expenditures of \$11,354,935. The General Fund's surplus balance decreased \$82,745 over 2021, which compares favorably to the budgeted decrease of \$501,272.

General Fund Budgeting Highlights

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

During the course of the fiscal 2022 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$8,540,003, \$288,595 over original budgeted estimates of \$8,251,408. This difference was due primarily to increases in extraordinary aid FEMA reimbursements, and clean energy grants.

General fund revenues fell short of expenditures by \$129,457. Again this deficit compares to a budgeted deficit of \$501,272.

Overall general fund balance (budget basis) was \$2,150,426, and amounts ear-marked and reserved for future purposes were \$1,711,111, creating a surplus in unreserved fund balance of \$439,315. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

Capital Assets

At the end of the fiscal year 2022, the School District had \$3,204,207 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2022 balances compared to 2021.

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

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

	<u>2022</u>	<u>2021</u>
Land	\$ 23,000	\$ 23,000
Land Improvements	72,852	93,462
Buildings and Improvements	2,964,908	2,666,541
Machinery and Equipment	<u>143,447</u>	<u>221,288</u>
 Totals	 <u>\$ 3,204,207</u>	 <u>\$ 3,004,291</u>

Overall governmental fund capital assets increased \$199,916 from fiscal year 2021 to fiscal year 2022. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$613,642 were purchased during fiscal year 2022 and included the generator and HVAC projects.

Debt Administration

At June 30, 2022, the School District had \$47,643 as outstanding long term debt. Of this amount, \$47,643 is for compensated absences.

At June 30, 2022, the School District's overall legal debt margin was \$22,241,933 and the unvoted debt margin was the same.

For the Future

The Washington Township School District is in very good financial condition presently. A major concern is declining property valuations coupled with heavy reliance on local property taxes to fund the school's operations.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Jean Flynn, School Business Administrator/Board Secretary at Washington Township School District, 16 Castle Street, Washington, NJ 07882, or E-mail at flynnj@warrennet.org.

Basic Financial Statements

DISTRICT-WIDE FINANCIAL STATEMENTS

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2022

	GOVERNMENTAL BUSINESS-TYPE		TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
Cash and Cash Equivalents	\$ 1,700,930	\$ 63,780	\$ 1,764,710
Receivables, Net	857,208	16,278	873,486
Interfund Receivable	16,278		16,278
Inventory		6,215	6,215
Capital Assets, Net (Note 6):	3,204,207	21,966	3,226,173
Total Assets	5,778,623	108,239	5,886,862
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferred Outflows	256,406		256,406
LIABILITIES			
Accounts Payable	95		95
Payroll Deductions and Withholdings Payable	7,932		7,932
Unemployment Compensation Claims Payable	17,758		17,758
Interfund Payable		16,278	16,278
Unearned Revenue	533,403	1,957	535,360
Net Pension Liability (Note 8)	1,061,507		1,061,507
Noncurrent Liabilities (Note 7):			
Due Within One Year			
Due Beyond One Year	47,643		47,643
Total Liabilities	1,668,338	18,235	1,686,573
DEFERRED INFLOWS OF RESOURCES			
Pension Deferred Inflows	1,191,324		1,191,324
NET POSITION			
Invested in Capital Assets, Net of Related Debt	3,204,207	21,966	3,226,173
Restricted for:			
Capital Reserve	1,021,738		1,021,738
Maintenance Reserve	327,750		327,750
Other	229,500		229,500
Unrestricted	(1,607,828)	68,038	(1,539,790)
Total Net Position	\$ 3,175,367	\$ 90,004	\$ 3,265,371

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	PROGRAM REVENUES				NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 3,568,045	\$ 101,032	\$ 1,507,763		\$ (1,959,250)		\$ (1,959,250)
Special Education	890,496		303,141		(587,355)		(587,355)
Other Special Instruction	398,242		135,569		(262,673)		(262,673)
Support Services:							
Tuition	66,051		22,485		(43,566)		(43,566)
Student & Instruction Related Services	2,066,154	13,748	889,052		(1,163,354)		(1,163,354)
School Administrative Services	370,185		126,018		(244,167)		(244,167)
General and Business Admin. Services	732,265		249,276		(482,989)		(482,989)
Plant Operations and Maintenance	1,338,428		455,625		(882,803)		(882,803)
Pupil Transportation	725,226		246,880		(478,346)		(478,346)
Unallocated Depreciation	232,414				(232,414)		(232,414)
Total Governmental Activities	10,387,506	114,780	3,935,809		(6,336,917)		(6,336,917)
Business-Type Activities:							
Child Care	36,303	35,299				\$ (1,004)	(1,004)
Food Service	211,402	6,254	269,570			64,422	64,422
Total Business-Type Activities	247,705	41,553	269,570	-	-	63,418	63,418
Total Primary Government	\$ 10,635,211	\$ 156,333	\$ 4,205,379		\$ (6,336,917)	\$ 63,418	\$ (6,273,499)
General Revenues:							
Taxes:							
					\$ 6,648,685		\$ 6,648,685
					547		547
					197,866		197,866
					6,847,098	-	6,847,098
					510,181	\$ 63,418	573,599
					2,665,186	26,586	2,691,772
					2,665,186	26,586	2,691,772
					\$ 3,175,367	\$ 90,004	\$ 3,265,371

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

FUND FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2022

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,689,259	\$ 11,671	\$ 1,700,930
Interfund Receivable	97,538		97,538
Other Receivables	100,607		100,607
Receivables from Other Governments	141,843	614,758	756,601
TOTAL ASSETS	\$ 2,029,247	\$ 626,429	\$ 2,655,676
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund Payable		\$ 81,260	\$ 81,260
Payroll Deductions and Withholdings Payable	\$ 7,932		7,932
Unemployment Compensation Claims Payable	17,758		17,758
Payable to State Government		95	95
Unearned Revenue		533,403	533,403
Total Liabilities	25,690	614,758	640,448
 Fund Balances:			
<u>Restricted for:</u>			
Capital Reserve Account	\$ 1,021,738		1,021,738
Maintenance Reserve	327,750		327,750
Unemployment Compensation	150,877		150,877
Student Activities		11,671	11,671
<u>Assigned to:</u>			
Year-End Encumbrances	143,794		143,794
Designated for Subsequent Year's Expenditures	66,952		66,952
<u>Unassigned:</u>			
General Fund - Undesignated	292,446		292,446
Total Fund Balances	2,003,557	11,671	2,015,228
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 2,029,247	 \$ 626,429	 \$ 2,655,676

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The cost of the assets is \$9,865,279 and the accumulated depreciation is \$6,661,072.

\$ 3,204,207

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)

256,406

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)

(1,191,324)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)

(1,061,507)

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 (see Note 7).

(47,643)

Net Position of governmental activities

\$ 3,175,367

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local sources:			
Local Tax Levy	\$ 6,648,685		\$ 6,648,685
Transportation	101,032		101,032
Interest Earned on Capital Reserve Funds	263		263
Miscellaneous	197,795	\$ 14,103	211,898
Total - Local Sources	6,947,775	14,103	6,961,878
State Sources	3,831,812	12,577	3,844,389
Federal Sources		466,254	466,254
Total Revenues	10,779,587	492,934	11,272,521
EXPENDITURES			
Current:			
Regular Instruction	2,298,886	178,154	2,477,040
Special Education Instruction	644,450		644,450
Other Special Instruction	288,207		288,207
Support services and undistributed costs:			
Tuition	47,801		47,801
Student and Instruction Related Services	1,309,577	185,695	1,495,272
School Administrative Services	218,657		218,657
Other Administrative Services	529,939		529,939
Plant Operations and Maintenance	941,698		941,698
Pupil Transportation	524,845		524,845
Unallocated Benefits	3,530,314		3,530,314
Transfer to Charter School	43,070		43,070
Capital Outlay	484,888	128,754	613,642
Total Expenditures	10,862,332	492,603	11,354,935
Excess (Deficiency) of Revenues Over Expenditures	(82,745)	331	(82,414)
Net Change in Fund Balances	(82,745)	331	(82,414)
Fund Balance—July 1	2,086,302	11,340	2,097,642
Prior Period Adjustment		-	-
Fund Balance—July 1 (Restated)	2,086,302	11,340	2,097,642
Fund Balance—June 30	\$ 2,003,557	\$ 11,671	\$ 2,015,228

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds (from B-2) **\$ (82,414)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation Expense	\$ (413,726)	
Capital Outlays	<u>613,642</u>	199,916

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 392,702

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned. (23)

Change in Net Position of Governmental Activities **\$ 510,181**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION
 PROPRIETARY FUNDS

June 30, 2022

	<u>Business-Type Activities- Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 63,780	\$ 63,780
Accounts Receivable	16,278	16,278
Inventories	6,215	6,215
Total Current Assets	<u>86,273</u>	<u>86,273</u>
Noncurrent Assets:		
Furniture, Machinery and Equipment	121,285	121,285
Less Accumulated Depreciation	(99,319)	(99,319)
Total Noncurrent Assets	<u>21,966</u>	<u>21,966</u>
Total Assets	<u>108,239</u>	<u>108,239</u>
LIABILITIES		
Current liabilities:		
Due Current Fund	16,278	16,278
Deferred Revenue	1,957	1,957
Total Current Liabilities	<u>18,235</u>	<u>18,235</u>
Total Liabilities	<u>18,235</u>	<u>18,235</u>
NET POSITION		
Invested in Capital Assets Net of Related Debt	21,966	21,966
Unrestricted	68,038	68,038
Total Net Position	<u>\$ 90,004</u>	<u>\$ 90,004</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Business-type Activities- Enterprise Fund		
	Food Service	Child Care	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 6,254		\$ 6,254
Daily Sales - Non-Reimb. Programs	-		-
Miscellaneous		\$ 35,299	35,299
Total Operating Revenues	6,254	35,299	41,553
Operating Expenses:			
Cost of Sales - Reimbursable Programs	109,121		109,121
Cost of Sales - Non-reimbursable Programs			
Salaries	59,369		59,369
Employee Benefits	17,863		17,863
Other Purchased Professional Services	9,707		9,707
Miscellaneous	9,851	36,303	46,154
Depreciation	5,491		5,491
Total Operating Expenses	211,402	36,303	247,705
Operating Income (Loss)	(205,148)	(1,004)	(206,152)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	4,454		4,454
Federal Sources:			
National School Lunch Program	192,591		192,591
National School Breakfast Program	60,757		60,757
P-EBT Administrative Cost Reimbursement	628		628
Food Distribution Program	11,140		11,140
Total Nonoperating Revenues (Expenses)	269,570		269,570
Change in Net Position	64,422	(1,004)	63,418
Total Net Position—Beginning	25,582	1,004	26,586
Total Net Position—Ending	\$ 90,004	-	\$ 90,004

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended June 30, 2022

	Business-Type Activities- Enterprise Funds		
	<u>Food Service</u>	<u>Child Care</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 6,254	\$ 35,299	\$ 41,553
Payments to Employees	(59,369)	-	(59,369)
Payments for Employee Benefits	(17,863)	-	(17,863)
Payments to Suppliers	(118,354)	(36,303)	(154,657)
Net Cash Provided by (used for) Operating Activities	(189,332)	(1,004)	(190,336)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	4,682		4,682
Federal Sources	247,734		247,734
Operating Transfers to Other Funds	6,014	-	6,014
Net Cash Provided by (used for) Non-Capital Financing Activities	258,430	-	258,430
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Fixed Asset Additions	(27,457)	-	(27,457)
Net Cash Provided by (used for) Capital Financing Activities	(27,457)	-	(27,457)
Net Increase (Decrease) in Cash and Cash Equivalents	41,641	(1,004)	40,637
Balances—Beginning of Year	22,139	1,004	23,143
Balances—End of Year	\$ 63,780	-	\$ 63,780
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Operating Income (Loss)	\$ (205,148)	\$ (1,004)	\$ (206,152)
Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	5,491		5,491
Federal Commodities	11,140		11,140
Interest Income			-
(Increase) Decrease in Accounts Receivable	-		-
(Increase) Decrease in Inventories	216		216
Increase (Decrease) in Accounts Payable	(1,031)		(1,031)
Total Adjustments	15,816	-	15,816
Net Cash Provided by (used for) Operating Activities	\$ (189,332)	\$ (1,004)	\$ (190,336)

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

Notes to Financial Statements

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB No. 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2021.

A. Reporting Entity:

The Washington Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Washington Township School District had an approximate enrollment at June 30, 2022, of 399 students.

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation, Basis of Accounting:

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

Basis of Presentation

District-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities.

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

GOVERNMENTAL FUNDS

The District reports the following governmental funds:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

GOVERNMENTAL FUNDS (Continued)

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

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The District reports the following proprietary fund:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the District reports the following fund type:

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

Measurement Focus - Basis of Accounting

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

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgets/Budgetary Control:

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

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

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

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

D. Encumbrance Accounting:

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity:

Cash and Cash Equivalents:

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

Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories:

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

Allowance for Uncollectible Accounts:

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

Capital Assets:

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

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

Compensated Absences:

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$40 per unused sick day up to a maximum of 150 unused sick days with a minimum of 20 years of service in the district.

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

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

Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Net Position:

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

Fund Balance Reserves:

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

Revenues—Exchange and Nonexchange Transactions

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Equity (Continued):

Operating Revenues and Expenses:

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

Allocation of Indirect Expenses:

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

Extraordinary and Special Items:

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

Management Estimates:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS

Deposits:

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2022, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	<u>Cash and Cash Equivalents (A-1)</u>
Checking Accounts	<u>\$ 1,764,710</u>
	<u><u>\$ 1,764,710</u></u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$1,764,710 and the bank balance was \$1,906,708. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,656,708 was covered by collateral pool.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3: RECEIVABLES

Receivables at June 30, 2022, consisted of intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 141,843	\$ 142,120
Federal Aid	614,758	630,759
Local - Refunds and Transportation	<u>100,607</u>	<u>100,607</u>
Gross Receivable	\$ 857,208	\$ 873,486
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u><u>\$ 857,208</u></u>	<u><u>\$ 873,486</u></u>

NOTE 4: INVENTORY

Inventory in the Food Service Fund at June 30, 2022, consisted of the following:

Food	<u>\$ 6,215</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

NOTE 5: DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The costs associated with the issued of the various bonds are immaterial and are not amortized on the District-wide financial statements.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 23,000			\$ 23,000
Total Capital Assets Not Being Depreciated	23,000			23,000
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	462,038			462,038
Buildings and Building Improvements	6,943,516	\$ 590,345		7,533,861
Machinery and Equipment	1,823,083	23,297		1,846,380
Total at Historical Cost	9,251,637	613,642		9,865,279
Less Accumulated Depreciation for:				
Land Improvements	(368,576)	(20,610)		(389,186)
Building and Improvements	(4,276,975)	(291,978)		(4,568,953)
Equipment	(1,601,795)	(101,138)		(1,702,933)
Total Accumulated Depreciation	(6,247,346)	(413,726)		(6,661,072)
	3,004,291	199,916		3,204,207
Government Activity Capital Assets, Net	\$ 3,004,291	\$ 199,916		\$ 3,204,207

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 105,147
School Administrative Services	49,245
Plant Operation and Maintenance	26,920
Unallocated	232,414
Total	<u>\$ 413,726</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: LONG-TERM OBLIGATIONS

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

A. Long-Term Obligation Activity:

Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	Balance <u>7/1/21</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/22</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 47,620	\$ 23		\$ 47,643	
Total	\$ 47,620	\$ 23		\$ 47,643	

Compensated absences and capital leases have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income taxes. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2022, it is not necessary for the Board to establish a liability for arbitrage rebate.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

B. Debt Service Requirements:

As of June 30, 2022, there are no outstanding debt obligations.

As of June 30, 2022, the District had no authorized but not issued bonds.

NOTE 8: PENSION PLANS

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$18,074,308 as measured on June 30, 2021 and \$24,366,597 measured on June 30, 2020.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$425,296 and revenue of \$425,296 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2022 is based upon changes in the collective net pension liability with a measurement period of June 30, 2020 through June 30, 2021. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2020 and June 30, 2021.

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

	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$9,589,140,982	\$6,356,228,800
Collective deferred inflows of resources	\$14,409,361,877	\$27,175,330,929
Collective net pension liability (Nonemployer-State of New Jersey)	\$65,848,796,740	\$48,075,188,642
State's portion of the net pension liability that was associated with the district	\$24,366,597	\$18,074,308
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.037004%	0.037596%

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:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45%
Therafter	2.75-5.65%
Investment Rate of Return:	7.00%

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-US devel.markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	3.00%	3.35%

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make 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 in determining the total pension liability.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

Sensitivity of the State's net pension liability to changes in the discount rate - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2021, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>Rate (7.00%)</u>	<u>(8.00%)</u>
State's Collective Net Pension Liability	\$ 56,988,413,045	\$ 48,165,991,182	\$ 40,755,711,186

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2021 was \$26,533,142,515.

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

	<u>Year Ended June 30:</u>
2022	(\$2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	<u>(3,367,824,517)</u>
Total	<u>(\$20,990,267,071)</u>

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	\$1,759,507,848
Interest on total pension liability	4,695,758,765
Member contributions	(883,659,076)
Administrative expense	9,042,590
Expected investment return net of investment expenses	(1,458,899,157)
Pension expense related to specific liabilities of individual employers	(403,226)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	201,861,563
Changes in assumptions	(2,256,761,544)
Difference between projected and actual investment earnings on pension plan investments	<u>(933,080,851)</u>
Total pension expense	<u>\$1,133,366,912</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

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

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

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

At June 30, 2022, the District reported a liability of \$1,061,507 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 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 total pension liability for the June 30, 2020 valuation was determined by an experience study for the period July 1, 2014 to June 30, 2018. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2021 and 2020. At June 30, 2021, the District's proportion was 0.00896% which was a decrease of 0.00066% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$288,054). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 16,741	\$ 7,599
Changes of assumptions	5,528	377,903
Net difference between projected and actual earnings on pension plan investments	-	279,629
Changes in proportion and differences between District contributions and proportionate share of contributions	129,199	526,193
District contributions subsequent to the measurement date	104,938	
Total	<u>\$ 256,406</u>	<u>\$ 1,191,324</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

\$104,938 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability measured as of June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
	2022	(\$405,145)
	2023	(289,272)
	2024	(197,235)
	2025	(148,262)
	2026	<u>58</u>
	Total	<u>(\$1,039,856)</u>
	<u>6/30/2020</u>	<u>6/30/2021</u>
Collective deferred outflows of resources	\$2,347,583,337	\$1,164,738,169
Collective deferred inflows of resources	7,849,949,467	8,339,123,762
Collective net pension liability (Non State - Local Group)	\$16,307,384,832	\$11,846,496,875
District's portion of net pension liability	\$1,568,607	\$1,061,507
District's proportion %	0.00961900%	0.00896051%

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-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 BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-US devel.markets equity	13.50%	8.71%
Emerging markets equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yeild	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk mitigation	3.00%	3.35%

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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 net pension liability measured as of June 30, 2021, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current Discount</u> <u>Rate (7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 1,445,557	\$1,061,507	\$ 735,586

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

Pension Expense - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2021 are as follows:

Service cost	\$124,218
Interest on total Pension liability	488,145
Member contributions	(101,062)
Administrative expens	1,767
Expected investment return net of investment expenses	(266,312)
Pension expense related to specific liabilities of individual employers	(1,245)
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	13,678
Changes in assumptions	(370,535)
Difference between projected and actual investment earnings on pension plan investments	<u>(176,707)</u>
Total pension expense	<u>(\$288,054)</u>

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

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

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

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

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

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

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

Three-Year Trend Information for PERS

Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2022	\$104,938	100 %	-0-
6/30/2021	\$105,227	100	-0-
6/30/2020	\$87,778	100	-0-

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 8: PENSION PLANS (Continued)

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2022	\$1,532,748	100 %	-0-
6/30/2021	\$1,114,520	100	-0-
6/30/2020	\$827,137	100	-0-

During the fiscal year ended June 30, 2022, the State of New Jersey did contribute \$1,890,702 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$302,170 during the year ended June 30, 2022, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

Note 9: POST-RETIREMENT BENEFITS

Plan description and benefits provided

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 9: POST-RETIREMENT BENEFITS-(Continued)

Total Nonemployer OPEB Liability

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

Actuarial assumptions and other imputes The June 30, 2022 GASB 75 reporting is based on a measurement date of June 30, 2021. 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. 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 and July 1, 2014 - June 30, 2018, for TPAF and PERS, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases Through 2026:	1.55-4.45% TPAF 2.00-6.00% PERS Based on service years
Salary Increases Thereafter:	2.75-4.45% TPAF 3.00-7.00% PERS Based on service years
Discount rate (2021)	2.16%
Discount rate (2020)	2.21%
Healthcare cost trend rates (PPO Plans)	5.74%, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (HMO Plans)	6.01%, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven years
Healthcare cost trend rates (Prescription Drug Benefits)	6.75% and decreases to a 4.5% long-term trend rate after seven years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	5.65%

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 9: POST-RETIREMENT BENEFITS-(Continued)

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

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

	<u>Total OPEB Liability</u>
The State's Total OPEB Liability Balance at 6/30/2020	\$67,809,962,608
<u>Changes for the year:</u>	
Service Cost	3,217,184,264
Interest on the Total OPEB Liability	1,556,661,679
Change in Benefit Terms	(63,870,842)
Differences Between Expected and Actual Experience	(11,385,071,658)
Changes of Assumptions	59,202,105
Gross Benefit Payments	-
Contributions from Members	<u>(1,186,417,186)</u>
Net changes	<u>(7,802,311,638)</u>
The State's Total OPEB Liability Balance at 6/30/2021	<u>\$60,007,650,970</u>
The State's total OPEB liability attributable to the District:	\$25,104,141

Benefit Changes: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021 and other changes.

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

	June 30, 2021		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)	\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 9: POST-RETIREMENT BENEFITS-(Continued)

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

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

	June 30, 2021		
	<u>At 1% Decrease</u>	Health Care Cost <u>Trend Rate</u>	<u>At 1% Increase</u>
Total OPEB Liability (School Retirees)	\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

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

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

For the year ended June 30, 2021, the board of education recognized OPEB expense and related revenue of \$1,089,897 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,045,886,863	\$18,009,362,976
Changes of assumptions or other inputs	<u>10,179,536,966</u>	<u>6,438,261,807</u>
Total	<u>\$19,225,423,829</u>	<u>\$24,447,624,783</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 9: POST-RETIREMENT BENEFITS-(Continued)

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

Year ended June 30:	
2022	(\$1,182,303,041)
2023	(1,182,303,041)
2024	(1,182,303,041)
2025	(1,182,303,041)
2026	(840,601,200)
Thereafter	<u>347,612,410</u>
	<u>(\$5,222,200,954)</u>

NOTE 10: DEFERRED COMPENSATION

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

Lincoln Investment Planning
LIP
Legend
Oppenheimer Shareholder

NOTE 11: COMPENSATED ABSENCES

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and upon retirement are reimbursed \$40 per unused sick day up to a maximum of 150 unused sick days with a minimum of 20 years of service in the district.

In the district-wide Statement of Assets, the liabilities whose average maturities are greater than one year should be reported in two components--the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the proprietary fund types.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12: RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2021-2022	\$41	\$9,371	\$0	\$168,635
2020-2021	\$137	\$9,177	\$968	\$159,223
2019-2020	\$1,538	\$9,020	\$3,234	\$150,877

NOTE 13: CONTINGENT LIABILITIES

GRANT PROGRAMS

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

LITIGATION

The Board is not involved in claims and lawsuits incidental to its operations.

NOTE 14: FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) - Of the \$2,003,557 General Fund fund balance at June 30, 2022, \$1,021,738 has been reserved in the Capital Reserve Account; \$327,750 has been reserved in the Maintenance Reserve Account; \$143,794 is reserved for encumbrances; \$66,952 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2023; \$150,877 is reserved for unemployment compensation; and \$292,446 is unreserved and undesignated.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 15: CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$0.

NOTE 16: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Washington Township School District Board of Education by inclusion of \$100,000 in the original 1998-99 annual capital outlay budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2021	\$ 1,204,489
Withdrawal	(422,272)
Interest Earned	263
Deposits (PL 2007 c.62 (A1)) ; Board Resolution: June 13, 2022	239,258
Ending Balance, June 30, 2022	<u>\$ 1,021,738</u>

NOTE 17: MAINTENANCE RESERVE ACCOUNT

A Maintenance Reserve account was established by the School District Board of Education in fiscal year 2022, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2021	\$ 327,750
Withdrawal	(80,000)
Deposits (PL 2007 c.62 (A1)) ; Board Resolution: June 13, 2022	80,000
Ending balance June 30, 2022	<u>\$ 327,750</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 97,538	-
Enterprise Fund		\$ 16,278
Special Revenue Fund		81,260
	<u>\$ 97,538</u>	<u>\$ 97,538</u>

The interfund payable in the special revenue fund is due to the general fund for cash advances to cover cash deficit caused by federal grant spending that has not yet been reimbursed. The interfund payable in the enterprise fund is due to the general fund for cash advances for the June federal and state lunch subsidies that have not yet been received.

NOTE 19: UNEARNED REVENUE

The balance of unearned revenue of \$533,498 is primarily related to unspent portions of federal awards.

NOTE 20: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,648,685		\$ 6,648,685	\$ 6,648,685	-
Transportation	101,032		101,032	101,032	-
Interest Earned on Capital Reserve Funds	1,000		1,000	263	\$ (737)
Miscellaneous	1,000		1,000	197,795	196,795
Total - Local Sources	<u>6,751,717</u>		<u>6,751,717</u>	<u>6,947,775</u>	<u>196,058</u>
State Sources:					
Equalization Aid	820,493		820,493	820,493	
Transportation Aid	258,367		258,367	258,367	
Special Education Aid	351,820		351,820	351,820	
Security Aid	49,011		49,011	49,011	
Other State Aid	20,000	\$ 65,555	85,555	112,537	26,982
TPAF Pension (On-Behalf - Non-Budgeted)				1,532,073	1,532,073
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				357,954	357,954
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				675	675
TPAF Social Security (Reimbursed - Non-Budgeted)				302,170	302,170
Total State Sources	<u>1,499,691</u>	<u>65,555</u>	<u>1,565,246</u>	<u>3,785,100</u>	<u>2,219,854</u>
TOTAL REVENUES	<u>8,251,408</u>	<u>65,555</u>	<u>8,316,963</u>	<u>10,732,875</u>	<u>2,415,912</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

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 Favorable/ (Unfavorable)</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	230,167	(26,999)	203,168	201,777	1,391
Grades 1-5 - Salaries of Teachers	1,571,350	(111,976)	1,459,374	1,459,374	
Grades 6-8 - Salaries of Teachers	437,770	39,682	477,452	474,312	3,140
Regular Programs - Home Instruction:					
Salaries of Teachers	4,000	(1,122)	2,878	2,048	830
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	37,400	(4,942)	32,458	22,471	9,987
Purchased Technical Services	4,300	(4,013)	287		287
Other Purchased Services (400-500 series)	60,700	(2,376)	58,324	56,475	1,849
General Supplies	55,100	16,885	71,985	71,355	630
Textbooks	20,000	(9,706)	10,294	10,294	
Other Objects	7,000		7,000	780	6,220
TOTAL REG. PROGRAMS - INSTRUCTION	2,427,787	(104,567)	2,323,220	2,298,886	24,334
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	144,525		144,525	143,215	1,310
Other Salaries for Instruction					
General Supplies	300		300		300
Total Learning and/or Language Disabilities	144,825		144,825	143,215	1,610
Resource Room/Resource Center:					
Salaries of Teachers	55,650	52,000	107,650	104,756	2,894
Other Salaries for Instruction					
General Supplies	100		100	100	
Total Resource Room/Resource Center	55,750	52,000	107,750	104,856	2,894
Resource Room/Resource Center:					
Salaries of Teachers	327,775	(47,766)	280,009	270,254	9,755
General Supplies	300	169	469	412	57
Total Resource Room/Resource Center	328,075	(47,597)	280,478	270,666	9,812

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	100,753	3,122	103,875	103,475	400
Other Salaries for Instruction	38,094	(15,499)	22,595	16,994	5,601
General Supplies	100	524	624	594	30
Total Preschool Disabilities - Part-Time	138,947	(11,853)	127,094	121,063	6,031
Home Instruction:					
Salaries of Teachers	2,000	5,000	7,000	4,650	2,350
Total Home Instruction	2,000	5,000	7,000	4,650	2,350
TOTAL SPECIAL ED. - INSTRUCTION	669,597	(2,450)	667,147	644,450	22,697
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	275,320	10,766	286,086	283,601	2,485
General Supplies	500	162	662	206	456
Total Basic Skills/Remedial - Instruction	275,820	10,928	286,748	283,807	2,941
School Spon.Co/Extra Curricular Actvts.-Instruction:					
Salaries	30,000		30,000	4,400	25,600
General Supplies	2,000		2,000		2,000
Total School Spon.Co/Extra Curricular Actvts.-Instruction	32,000		32,000	4,400	27,600
TOTAL INSTRUCTION	3,405,204	(96,089)	3,309,115	3,231,543	77,572
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction:					
Tuition- Charter School	47,801		47,801	47,801	
Total Undistributed Expenditures - Instruction	47,801		47,801	47,801	
Attendance and Social Work:					
Salaries	49,118		49,118	40,051	9,067
Total Attendance and Social Work	49,118		49,118	40,051	9,067

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Health Services:					
Salaries	143,670	3,160	146,830	146,830	
Purchased Professional and Technical Services					
Supplies and Materials	5,300	(2,406)	2,894	2,255	639
Total Health Services	148,970	754	149,724	149,085	639
Other Supp. Services Students-Related Serv.:					
Salaries	227,765	(7,717)	220,048	219,081	967
Purchased Professional - Educational Services		7,717	7,717	4,128	3,589
Misc. Purchased Services (400-500 series)	200		200		200
Supplies and Materials	800		800	188	612
Total Other Supp. Serv. Students-Related Serv.	228,765		228,765	223,397	5,368
Other Supp. Services Students-Extra.Services:					
Salaries	340,884	(61,694)	279,190	244,390	34,800
Contracted Aide	73,700	25,400	99,100	78,722	20,378
Total Other Supp. Services Students-Extra.Services	414,584	(36,294)	378,290	323,112	55,178
Other Supp. Services Students-Regular:					
Salaries of Other Professional Staff	59,391	(1,254)	58,137	57,458	679
Misc. Purchased Services (400-500 series)	200		200		200
Supplies and Materials	400		400		400
Total Other Supp. Services Students-Regular	59,991	(1,254)	58,737	57,458	1,279
Other Supp. Services Students-Special:					
Salaries of Other Professional Staff	340,459	10,000	350,459	338,286	12,173
Salaries of Secretarial and Clerical Assistants	40,900		40,900	40,898	2
Purchased Professional - Educational Services		33,293	33,293	12,842	20,451
Other Purchased Professional and Technical Services	5,000		5,000	1,975	3,025
Misc. Purchased Services (400-500 series O/than Resid.Costs)	600		600	258	342
Supplies and Materials	2,200		2,200	305	1,895
Total Other Supp. Services Students-Special	389,159	43,293	432,452	394,564	37,888
Improvement of Instruction Services:					
Salaries of Other Professional Staff	8,000		8,000	1,931	6,069
Purchased Professional - Educational Services	1,400		1,400	1,300	100
Total Improvement of Instruction Services	9,400		9,400	3,231	6,169

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Educational Media Services/School Library:					
Salaries	58,407	29,453	87,860	87,860	
Purchased Professional - Technical Services	22,000	105	22,105	19,131	2,974
Supplies and Materials	6,650	3,001	9,651	7,887	1,764
Total Educational Media Services/School Library	87,057	32,559	119,616	114,878	4,738
Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	7,000	(997)	6,003	3,801	2,202
Total Instructional Staff Training Services	7,000	(997)	6,003	3,801	2,202
Supp. Services - General Administration:					
Salaries	213,755	7,903	221,658	213,344	8,314
Legal Services	5,000	12,904	17,904	8,922	8,982
Audit Fees	18,100		18,100	17,748	352
Other Purchased Professional Services	19,700	3,853	23,553	17,818	5,735
Communications/Telephone					
Other Purchased Services (400-500 series)					
General Supplies	3,000		3,000	2,254	746
Miscellaneous Expenditures	5,000	5,000	10,000	4,438	5,562
BOE Membership Dues and Fees	5,000		5,000	4,994	6
Total Supp. Services - General Administration	269,555	29,660	299,215	269,518	29,697
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	174,852		174,852	155,000	19,852
Salaries of Other Professional Staff	2,000		2,000	1,000	1,000
Salaries of Secretarial and Clerical Assistants	57,052	1,000	58,052	57,520	532
Supplies and Materials	7,000		7,000	2,918	4,082
Other Objects	3,200		3,200	2,219	981
Total Support Services - School Administration	244,104	1,000	245,104	218,657	26,447
Central Services:					
Salaries	150,001	4,000	154,001	145,889	8,112
Purchased Professional Services	300		300	220	80
Miscellaneous Purchased Services (400-500 series)					
Supplies and Materials	1,500	2,840	4,340	2,716	1,624
Miscellaneous Expenditures	2,600		2,600	1,908	692
Total Central Services	154,401	6,840	161,241	150,733	10,508

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Admin. Info.Tech.:					
Salaries	67,468		67,468	67,468	
Purchased Technical Services	18,520	20,480	39,000	38,950	50
Supplies and Materials	3,000	270	3,270	3,270	
Total Admin. Info.Tech.	88,988	20,750	109,738	109,688	50
Required Maintenance for School Facilities:					
Salaries	24,000		24,000	22,108	1,892
Cleaning, Repair and Maintenance Services	171,600	247,456	419,056	333,430	85,626
General Supplies	28,400	(8,585)	19,815	14,552	5,263
Other Objects	300		300		300
Total Required Maintenance for School Facilities	224,300	238,871	463,171	370,090	93,081
Other Operations and Maintenance of Plant:					
Salaries	263,105	(16,560)	246,545	241,628	4,917
Custodial Services		17,250	17,250	17,250	
Cleaning, Repair and Maintenance Services	22,000	(3,796)	18,204	13,399	4,805
Other Purchased Property Services	8,000	651	8,651	7,690	961
Insurance	36,000	5,350	41,350	40,793	557
Miscellaneous Purchased Services	100		100	85	15
General Supplies	34,500	4,787	39,287	36,468	2,819
Energy (Heat and Electricity)	110,000	(7,510)	102,490	94,773	7,717
Total Other Operations and Maintenance of Plant	473,705	172	473,877	452,086	21,791
Security:					
Purchased Professional and Technical Services	116,944	2,188	119,132	119,132	
General Supplies	800		800	390	410
Total Security	117,744	2,188	119,932	119,522	410
Student Transportation Services					
Contr Serv(Reg Stud)ESCs&CTSAs		48,051	48,051	48,051	
Salaries for Pupil Transpor.(Between Home & School)-Regular	93,771	(4,877)	88,894	88,894	
Other Purchased Professional - Technical Services	5,000	1,783	6,783	6,783	
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	16,000	(2,158)	13,842	13,842	
Contracted Services (Other than Bet. Home and Sch.)-Vendors	4,000	(3,399)	601	601	
Contracted Services (Bet. Home and School)-Joint Agreements	205,000		205,000	204,012	988
Contracted Services (Special Education Students)-Vendors	103,353	18,785	122,138	122,138	
Contracted Services (Special Education Students)-Joint Agrmnts.	59,500	(25,242)	34,258	34,258	
Supplies and Materials	7,350	(3,201)	4,149	4,149	
Other Objects	3,420	(1,303)	2,117	2,117	
Total Student Transportation Services	497,394	28,439	525,833	524,845	988

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Social Security Contributions	105,000	(11,706)	93,294	91,294	2,000
Other Retirement Contributions-Regular PERS	92,000	12,938	104,938	104,938	
Other Retirement Contributions-ERIP	12,000	(3,296)	8,704	8,704	
Workmen's Compensation	51,000	(7,571)	43,429	43,429	
Health Benefits	1,037,192	(56,456)	980,736	979,483	1,253
Tuition Reimbursement	25,000	(6,655)	18,345	18,345	
Tuition Reimbursement - PARA	2,000	(2,000)			
Tuition Reimbursement - OTHER	4,500	2,270	6,770	6,770	
Other Employee Benefits	84,476	3	84,479	84,479	
TOTAL UNALLOCATED BENEFITS	1,413,168	(72,473)	1,340,695	1,337,442	3,253
On-behalf TPAF pension Contrib. (non-budgeted)				1,532,073	(1,532,073)
On-behalf TPAF PRM Contrib. (non-budgeted)				357,954	(357,954)
On-behalf TPAF pension LTD Ins. (non-budgeted)				675	(675)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				302,170	(302,170)
TOTAL ON-BEHALF CONTRIBUTIONS				2,192,872	(2,192,872)
TOTAL PERSONAL SERV.-EMPLOYEE BENEFITS	1,413,168	(72,473)	1,340,695	3,530,314	(2,189,619)
TOTAL UNDISTRIBUTED EXPENDITURES	4,925,204	293,508	5,218,712	7,102,831	(1,884,119)
TOTAL GENERAL CURRENT EXPENSE	8,330,408	197,419	8,527,827	10,334,374	(1,806,547)
CAPITAL OUTLAY					
Equipment:					
Kindergarten		7,939	7,939		7,939
Grades 1-5		15,943	15,943	13,297	2,646
Total Equipment		23,882	23,882	13,297	10,585

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services		66,725	66,725	49,319	17,406
Construction Services	422,272		422,272	422,272	
Total Facilities Acquisition and Construction Services	<u>422,272</u>	<u>66,725</u>	<u>488,997</u>	<u>471,591</u>	<u>17,406</u>
TOTAL CAPITAL OUTLAY	<u>422,272</u>	<u>90,607</u>	<u>512,879</u>	<u>484,888</u>	<u>27,991</u>
Transfer to Charter School		43,070	43,070	43,070	
TOTAL EXPENDITURES	<u>8,752,680</u>	<u>331,096</u>	<u>9,083,776</u>	<u>10,862,332</u>	<u>(1,778,556)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(501,272)</u>	<u>(265,541)</u>	<u>(766,813)</u>	<u>(129,457)</u>	<u>637,356</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(501,272)</u>	<u>(265,541)</u>	<u>(766,813)</u>	<u>(129,457)</u>	<u>637,356</u>
Fund Balance, July 1	2,279,883		2,279,883	2,279,883	
Prior Period Adjustment					
Fund Balance, July 1 (Restated)	<u>2,279,883</u>		<u>2,279,883</u>	<u>2,279,883</u>	
Fund Balance, June 30	<u>\$ 1,778,611</u>	<u>\$ (265,541)</u>	<u>\$ 1,513,070</u>	<u>\$ 2,150,426</u>	<u>\$ 637,356</u>

Recapitulation:

Restricted for:

Capital Reserve	\$ 1,021,738
Maintenance Reserve	327,750
Unemployment Compensation	150,877

Assigned to:

Year-End Encumbrances	143,794
Designated for Subsequent Year's Expenditures	66,952

Unassigned:

Unrestricted Fund Balance	439,315
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Fund Balance per Governmental Funds(Budgetary Basis)

2,150,426

Reconciliation to Governmental Funds Statement(GAAP Basis):

Last State Aid Payment not recognized on GAAP basis	(146,869)
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Fund Balance per Governmental Funds(GAAP Basis)

\$ 2,003,557

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**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 Favorable/ (Unfavorable)
REVENUES:					
Local Sources	\$ 20,000	\$ (6,251)	\$ 13,749	\$ 13,749	-
State Sources		12,577	12,577	12,577	-
Federal Sources	213,000	772,674	985,674	469,818	\$ (515,856)
Total Revenues	233,000	779,000	1,012,000	496,144	(515,856)
EXPENDITURES:					
Instruction					
Salaries of Teachers	25,000	45,500	70,500	20,500	50,000
Purchased Profess. & Tech. Serv.	1,237	40,708	41,945	24,029	17,916
Tuition	57,763	(4,367)	53,396	53,396	
General Supplies	46,000	85,017	131,017	74,549	56,468
Textbooks		480	480	480	
Total Instruction	130,000	167,338	297,338	172,954	124,384
Support Services					
Other Salaries		138,302	138,302	13,723	124,579
Personal Services-Employee Bene.	6,000	3,225	9,225	9,225	
Purchased Profess. & Tech Svcs	4,000	2,005	6,005	6,005	
Purchased Profess. Educ. Svcs	71,000	40,674	111,674	111,674	
Supplies and Materials	2,000	29,738	31,738	31,738	
Student Activities	20,000	(6,582)	13,418	13,418	
Total Support Services	103,000	207,362	310,362	185,783	124,579
Facilities Acq. & Construction Services:					
Buildings		385,647	385,647	118,754	266,893
Instructional Equipment		18,322	18,322	18,322	
Total Facilities Acq. & Construction Services	-	403,969	403,969	137,076	266,893
Total Expenditures	\$ 233,000	\$ 778,669	\$ 1,011,669	\$ 495,813	515,856
Total Outflows	\$ 233,000	\$ 778,669	\$ 1,011,669	\$ 495,813	\$ 515,856
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	-	331	331	331	-
Fund Balance Beginning				<u>11,340</u>	
Prior Period Adjustment				<u>-</u>	
Fund Balance Beginning (Restated)				<u>11,340</u>	
Fund Balance Ending				<u><u>\$ 11,671</u></u>	
Recapitulation:					
Restricted:					
Student Activities				<u>\$ 11,671</u>	
Total Fund Balance				<u><u>\$ 11,671</u></u>	

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2022

**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 (Exhibits C-1 and C-2, respectively)	\$ 10,732,875	\$ 496,144
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	14,337
Current Year Encumbrances	N/A	(17,547)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	193,581	N/A
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(146,869)	N/A
	<u>\$ 10,779,587</u>	<u>\$ 492,934</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 10,862,332	\$ 495,813
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	14,337
Current Year Encumbrances	N/A	(17,547)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	N/A	N/A
	<u>\$ 10,862,332</u>	<u>\$ 492,603</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 10,862,332</u>	<u>\$ 492,603</u>

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

Exhibit L-3

Teachers' Pension and Annuity Fund (TPAF)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 18,074,308	\$ 24,366,597	\$ 23,551,535	\$ 25,112,942	\$ 28,282,726	\$ 31,719,568	\$ 26,812,532	\$ 23,047,511	\$ 21,385,336	
Total	\$ 18,074,308	\$ 24,366,597	\$ 23,551,535	\$ 25,112,942	\$ 28,282,726	\$ 31,719,568	\$ 26,812,532	\$ 23,047,511	\$ 21,385,336	
District's covered employee payroll	\$ 4,159,824	\$ 4,110,666	\$ 4,205,985	\$ 4,157,118	\$ 4,040,833	\$ 3,949,115	\$ 4,423,064	\$ 4,229,000	\$ 4,356,381	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Plan fiduciary net position as a percentage of the total pension liability	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%	

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

Exhibit L-1

Public Employees' Retirement System (PERS)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.008961%	0.009619%	0.009009%	0.010481%	0.014602%	0.012242%	0.012563%	0.013786%	0.014972%	
District's proportionate share of the net pension liability (asset)	\$ 1,061,507	\$ 1,568,607	\$ 1,623,247	\$ 2,063,714	\$ 3,399,139	\$ 3,625,757	\$ 2,820,035	\$ 2,581,098	\$ 2,861,422	
District's covered employee payroll	\$ 549,078	\$ 607,261	\$ 650,107	\$ 691,357	\$ 707,308	\$ 713,754	\$ 1,428,437	\$ 1,424,061	\$ 1,283,928	
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	193.33%	258.31%	249.69%	298.50%	480.57%	507.98%	197.42%	181.25%	222.86%	
Plan fiduciary net position as a percentage of the total pension liability (Local)	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%	

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

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 4,159,824	\$ 4,110,666	\$ 4,205,985	\$ 4,157,118	\$ 4,040,833	\$ 3,949,115	\$ 4,423,064	\$ 4,229,000	\$ 4,356,381	
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 104,938	\$ 105,227	\$ 87,778	\$ 104,624	\$ 136,801	\$ 109,040	\$ 113,649	\$ 113,481	\$ 118,664	
Contributions in relation to the contractually required contribution	(104,938)	(105,227)	(87,778)	(104,624)	(136,801)	(109,040)	(113,649)	(113,481)	(118,664)	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 549,078	\$ 607,261	\$ 650,107	\$ 691,357	\$ 707,308	\$ 713,754	\$ 1,428,437	\$ 1,424,061	\$ 1,283,928	
Contributions as a percentage of covered-employee payroll	19.11%	17.33%	13.50%	15.13%	19.34%	15.28%	7.96%	7.97%	9.24%	

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

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

Exhibit M-1

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

The State of New Jersey's Total OPEB Liability	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Service Cost	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319				
Interest	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792				
Change in Benefit Terms	-63870842									
Differences Between Expected and Actual Experience	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-5002065740						
Benefit Payments	59,202,105	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)				
Contributions from Members	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747				
Changes of Assumptions or other inputs	(1,186,417,186)	12,386,549,981	622,184,027	(5,291,448,855)	(7,086,599,129)	8,611,513,521				
Net change in total OPEB liability	(7,802,311,638)	26,080,881,563	(4,381,751,937)	(7,529,008,876)	(4,191,942,326)	10,982,132,360				
Total OPEB Liability - Beginning	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184	\$ 46,849,651,824				
Total OPEB Liability - Ending	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's total OPEB liability **	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184				
The State of New Jersey's OPEB liability attributable to the District **	\$ 25,104,141	\$ 29,373,097	\$ 18,862,812	\$ 21,353,835	\$ 23,974,163	\$ 25,813,155				
The District's proportionate share of the total OPEB liability	Zero	Zero	Zero	Zero	Zero	Zero				
District's covered employee payroll	\$ 4,708,902	\$ 4,717,927	\$ 4,856,092	\$ 4,848,475	\$ 4,748,141	\$ 4,662,869				
Total District's OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
District's contribution	None	None	None	None	None	None				
State's covered employee payroll ***	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208				
Total State's OPEB liability as a percentage of its covered-employee payroll	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%				

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

*** Covered payroll for the Measurement Period ending June 30, 2020 and June 30, 2021 is based on the payroll on the June 30, 2019 and June 30, 2020 census data, respectively

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III
Pension and Other Post Employment Benefits (OPEB) Schedules

For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Pension Schedules

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

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

Public Employees' Retirement System (PERS)

Pension Schedules

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021

OPEB Schedules

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

Changes of benefit terms. The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the Fiscal Year Ended June 30, 2022

	Title I Part A	Title II Part A	Title IV	IDEA Basic	IDEA Preschool	ARP IDEA Basic	ARP IDEA Preschool	ARP Beyond Sch. Day	CRRSA ESSER II	CRRSA Mental	FEMA	REAP	NP TEXTBOOKS	NP TECH	NP SECURITY	SDA Emerg. Needs & Capital	Student Activity	School House Fund	Totals
REVENUES																			
Local Sources																	\$ 13,748	\$ 1	\$ 13,749
State Sources													\$ 480	\$ 333	\$ 2,533	\$ 9,231			12,577
Federal Sources	\$ 30,723	\$ 8,263	\$ 10,000	\$ 144,211	\$ 11,007	\$ 18,322	\$ 1,561	\$ 22,085	\$ 118,754	\$ 30,421	\$ 35,319	\$ 39,152							469,818
TOTAL REVENUES	30,723	8,263	10,000	144,211	11,007	18,322	1,561	22,085	118,754	30,421	35,319	39,152	480	333	2,533	9,231	13,748	1	496,144
EXPENDITURES:																			
Instruction:																			
Salaries of Teachers	20,500																		20,500
Purchased Profess. & Tech. Serv.				2,200				21,829											24,029
Tuition				53,396															53,396
General Supplies	998		6,500	18,759			1,561	256		103	4,354	39,152			333	2,533			74,549
Textbooks													480						480
Total Instruction	21,498	-	6,500	74,355	-	-	1,561	22,085	-	103	4,354	39,152	480	333	2,533	-	-	-	172,954
Support Services:																			
Other Salaries										13,723									13,723
Personal Services-Employee Bene.	9,225																		9,225
Purchased Profess. & Tech Svcs		2,505	3,500																6,005
Purchased Profess. Educ. Svcs		5,758		63,665	11,007					279	30,965								111,674
Supplies and Materials				6,191						16,316						9,231			31,738
Student Activities																	13,418		13,418
Total Support Services	9,225	8,263	3,500	69,856	11,007	-	-	-	-	30,318	30,965	-	-	-	-	9,231	13,418	-	185,783
Facilities Acq. & Construction Services:																			
Buildings									118,754										118,754
Instructional Equipment						18,322													18,322
Total Facilities Acq. & Construction Services	-	-	-	-	-	18,322	-	-	118,754	-	-	-	-	-	-	-	-	-	137,076
TOTAL EXPENDITURES	\$ 30,723	\$ 8,263	\$ 10,000	\$ 144,211	\$ 11,007	\$ 18,322	\$ 1,561	\$ 22,085	\$ 118,754	\$ 30,421	\$ 35,319	\$ 39,152	\$ 480	\$ 333	\$ 2,533	\$ 9,231	\$ 13,418	-	\$ 495,813
Total Outflows	\$ 30,723	\$ 8,263	\$ 10,000	\$ 144,211	\$ 11,007	\$ 18,322	\$ 1,561	\$ 22,085	\$ 118,754	\$ 30,421	\$ 35,319	\$ 39,152	\$ 480	\$ 333	\$ 2,533	\$ 9,231	\$ 13,418	-	\$ 495,813
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	330	1	331
Fund Balance Beginning Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,991	2,349	11,340
Fund Balance Beginning (Restated)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,991	2,349	11,340
Fund Balance Ending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 9,321	\$ 2,350	\$ 11,671

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

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

N/A

**PROPRIETARY FUND
DETAIL STATEMENTS**

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

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

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

**FIDUCIARY FUND
DETAIL STATEMENTS**

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

N/A

LONG-TERM DEBT SCHEDULES

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

N/A

Washington Township School District
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends (J-1 thru J-5) These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	85-90
Revenue Capacity (J-6 thru J-9) These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	91-94
Debt Capacity (J-10 thru J-13) These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	95-98
Demographic and Economic Information (J-14 and J-15) These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	99-100
Operating Information (J-16 thru J-20) These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	101-105

Sources:

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

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

Exhibit J-1

(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,949,487	\$ 2,186,985	\$ 2,361,405	\$ 2,341,064	\$ 2,578,643	\$ 2,644,434	\$ 3,105,665	\$ 3,177,677	\$ 3,004,291	\$ 3,204,207
Restricted	263,739	375,417	374,032	428,561	736,783	918,377	1,118,004	1,370,659	1,694,456	1,578,988
Unrestricted	205,474	79,975	(2,609,694)	(2,641,354)	(2,833,497)	(2,790,454)	(2,667,927)	(2,398,918)	(2,033,561)	(1,607,828)
Total governmental activities net position	\$ 3,418,700	\$ 2,642,377	\$ 125,743	\$ 128,271	\$ 481,929	\$ 772,357	\$ 1,555,742	\$ 2,149,418	\$ 2,665,186	\$ 3,175,367
Business-type activities										
Invested in capital assets, net of related debt				\$ 17,862	\$ 13,396	\$ 8,930	\$ 4,464	-	-	\$ 21,966
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	31,456	\$ 22,920	\$ 67,419	\$ 78,823	\$ 64,135	\$ 62,588	50,870	\$ 35,656	\$ 26,586	68,038
Total business-type activities net position	\$ 31,456	\$ 22,920	\$ 67,419	\$ 96,685	\$ 77,531	\$ 71,518	\$ 55,334	\$ 35,656	\$ 26,586	\$ 90,004
District-wide										
Invested in capital assets, net of related debt	\$ 2,949,487	\$ 2,186,985	\$ 2,361,405	\$ 2,358,926	\$ 2,592,039	\$ 2,653,364	\$ 3,110,129	\$ 3,177,677	\$ 3,004,291	\$ 3,226,173
Restricted	263,739	375,417	374,032	428,561	736,783	918,377	1,118,004	1,370,659	1,694,456	1,578,988
Unrestricted	236,930	102,895	(2,542,275)	(2,562,531)	(2,769,362)	(2,727,866)	(2,617,057)	(2,363,262)	(2,006,975)	(1,539,790)
Total district net position	\$ 3,450,156	\$ 2,665,297	\$ 193,162	\$ 224,956	\$ 559,460	\$ 843,875	\$ 1,611,076	\$ 2,185,074	\$ 2,691,772	\$ 3,265,371

Source: ACFR Schedule A-1

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

Exhibit J-2

	<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>
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,036,063	\$ 3,715,671	\$ 4,265,097	\$ 4,199,342	\$ 4,473,903	\$ 4,500,204	\$ 3,934,038	\$ 3,945,396	\$ 4,442,668	\$ 3,568,045
Special education	859,000	855,316	1,051,588	1,170,805	1,223,714	1,096,943	1,172,349	887,153	976,009	890,496
Other special education	441,030	401,625	465,828	541,466	496,980	544,703	532,682	506,837	423,847	398,242
Support Services:										
Tuition	-	22,033	1,265	-	-	-	1,692	4,778	71	66,051
Student & instruction related services	1,780,001	1,831,853	2,006,126	2,206,916	2,092,454	2,391,437	2,094,859	1,952,051	2,174,171	2,066,154
General administrative services	656,101	708,319	741,730	760,341	891,704	906,707	813,484	735,143	784,288	732,265
School administrative services	467,760	410,217	437,543	454,902	534,092	548,583	468,936	412,408	425,236	370,185
Business administrative services										
Plant operations and maintenance	896,091	871,468	997,818	1,083,095	1,141,486	1,540,999	1,686,839	1,427,276	1,534,574	1,338,428
Pupil transportation	523,298	577,586	601,967	696,248	746,547	779,204	709,272	693,702	702,533	725,226
Non-Budgeted Contributions										
Special Schools										
Charter Schools										
Interest on long-term debt										
Unallocated depreciation	104,762	111,475	117,634	130,332	167,103	191,395	165,053	187,887	197,942	232,414
Total governmental activities expenses	<u>9,764,106</u>	<u>9,505,563</u>	<u>10,686,596</u>	<u>11,243,447</u>	<u>11,767,983</u>	<u>12,500,175</u>	<u>11,579,204</u>	<u>10,752,631</u>	<u>11,661,339</u>	<u>10,387,506</u>
Business-type activities:										
Food service	131,815	127,618	131,323	129,627	133,981	141,033	140,825	118,139	145,621	211,402
Child Care	54,358	55,762	61,562	70,313	101,595	92,684	75,641	68,116	2,303	36,303
Total business-type activities expense	<u>186,173</u>	<u>183,380</u>	<u>192,885</u>	<u>199,940</u>	<u>235,576</u>	<u>233,717</u>	<u>216,466</u>	<u>186,255</u>	<u>147,924</u>	<u>247,705</u>
Total district expenses	<u>\$ 9,950,279</u>	<u>\$ 9,688,943</u>	<u>\$ 10,879,481</u>	<u>\$ 11,443,387</u>	<u>\$ 12,003,559</u>	<u>\$ 12,733,892</u>	<u>\$ 11,795,670</u>	<u>\$ 10,938,886</u>	<u>\$ 11,809,263</u>	<u>\$ 10,635,211</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (regular & special education)										
Business and other support services	\$ 105,915	\$ 90,501	\$ 93,716	\$ 98,700	\$ 100,792	\$ 121,050	\$ 104,648	\$ 101,430	\$ 100,312	\$ 114,780
Operating grants and contributions	3,871,122	3,768,294	4,995,997	5,288,774	5,994,612	6,554,988	5,614,769	4,713,136	5,548,798	3,935,809
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>3,977,037</u>	<u>3,858,795</u>	<u>5,089,713</u>	<u>5,387,474</u>	<u>6,095,404</u>	<u>6,676,038</u>	<u>5,719,417</u>	<u>4,814,566</u>	<u>5,649,110</u>	<u>4,050,589</u>
Business-type activities:										
Charges for services:										
Food service	84,987	79,879	83,388	90,870	91,315	90,931	78,966	64,178	10,047	6,254
Child care	66,526	48,104	95,607	87,789	75,855	75,430	64,040	49,397	1,298	35,299
Operating grants and contributions	45,369	46,861	58,389	50,547	49,252	61,343	57,276	53,002	127,509	269,570
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>196,882</u>	<u>174,844</u>	<u>237,384</u>	<u>229,206</u>	<u>216,422</u>	<u>227,704</u>	<u>200,282</u>	<u>166,577</u>	<u>138,854</u>	<u>311,123</u>
Total district program revenues	<u>\$ 4,173,919</u>	<u>\$ 4,033,639</u>	<u>\$ 5,327,097</u>	<u>\$ 5,616,680</u>	<u>\$ 6,311,826</u>	<u>\$ 6,903,742</u>	<u>\$ 5,919,699</u>	<u>\$ 4,981,143</u>	<u>\$ 5,787,964</u>	<u>\$ 4,361,712</u>
Net (Expense)/Revenue										
Governmental activities	\$ (5,787,069)	\$ (5,646,768)	\$ (5,596,883)	\$ (5,855,973)	\$ (5,672,579)	\$ (5,824,137)	\$ (5,859,787)	\$ (5,938,065)	\$ (6,012,229)	\$ (6,336,917)
Business-type activities	10,709	(8,536)	44,499	29,266	(19,154)	(6,013)	(16,184)	(19,678)	(9,070)	63,418
Total district-wide net expense	<u>\$ (5,776,360)</u>	<u>\$ (5,655,304)</u>	<u>\$ (5,552,384)</u>	<u>\$ (5,826,707)</u>	<u>\$ (5,691,733)</u>	<u>\$ (5,830,150)</u>	<u>\$ (5,875,971)</u>	<u>\$ (5,957,743)</u>	<u>\$ (6,021,299)</u>	<u>\$ (6,273,499)</u>

Continued

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

Exhibit J-2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,440,521	\$ 5,549,331	\$ 5,732,086	\$ 5,843,253	\$ 5,960,118	\$ 6,079,320	\$ 6,218,548	\$ 6,342,919	\$ 6,489,777	\$ 6,648,685
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	3,853	1,666	1,635	2,926	4,360	9,993	24,062	12,147	1,611	547
Miscellaneous income	20,613	7,791	9,830	12,322	61,759	25,252	3,733	14,718	36,609	197,866
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>5,464,987</u>	<u>5,558,788</u>	<u>5,743,551</u>	<u>5,858,501</u>	<u>6,026,237</u>	<u>6,114,565</u>	<u>6,246,343</u>	<u>6,369,784</u>	<u>6,527,997</u>	<u>6,847,098</u>
Business-type activities:										
Investment earnings	1	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 5,464,988</u>	<u>\$ 5,558,788</u>	<u>\$ 5,743,551</u>	<u>\$ 5,858,501</u>	<u>\$ 6,026,237</u>	<u>\$ 6,114,565</u>	<u>\$ 6,246,343</u>	<u>\$ 6,369,784</u>	<u>\$ 6,527,997</u>	<u>\$ 6,847,098</u>
Change in Net Position										
Governmental activities	\$ (322,082)	\$ (87,980)	\$ 146,668	\$ 2,528	\$ 353,658	\$ 290,428	\$ 386,556	\$ 431,719	\$ 515,768	\$ 510,181
Business-type activities	10,710	(8,536)	44,499	29,266	(19,154)	(6,013)	(16,184)	(19,678)	(9,070)	63,418
Total district	<u>\$ (311,372)</u>	<u>\$ (96,516)</u>	<u>\$ 191,167</u>	<u>\$ 31,794</u>	<u>\$ 334,504</u>	<u>\$ 284,415</u>	<u>\$ 370,372</u>	<u>\$ 412,041</u>	<u>\$ 506,698</u>	<u>\$ 573,599</u>

Source: ACFR Schedule A-2

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

Exhibit J-3

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Fiscal Year Ending June 30,</u>		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
					<u>2017</u>	<u>2018</u>				
General Fund										
Reserved	\$ 520,796	\$ 463,460	\$ 565,452	\$ 567,579	\$ 820,464	\$ 1,106,361	\$ 1,276,575	\$ 1,561,854	\$ 1,873,240	\$ 1,711,111
Unreserved	10,637	39,798	(5,564)	(2,829)	17,199	52,481	89,486	93,528	213,062	292,446
Total general fund	<u>\$ 531,433</u>	<u>\$ 503,258</u>	<u>\$ 559,888</u>	<u>\$ 564,750</u>	<u>\$ 837,663</u>	<u>\$ 1,158,842</u>	<u>\$ 1,366,061</u>	<u>\$ 1,655,382</u>	<u>\$ 2,086,302</u>	<u>\$ 2,003,557</u>
All Other Governmental Funds										
Reserved								\$ 11,080	\$ 11,340	\$ 11,671
Unreserved, reported in:										
Special revenue fund										
Capital projects fund		\$ 4,694								
Debt service fund										
Trust and agency fund	-	-								
Total all other governmental funds	<u>-</u>	<u>\$ 4,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 11,080</u>	<u>\$ 11,340</u>	<u>\$ 11,671</u>

Source: ACFR Schedule B-1

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

Exhibit J-4

	<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>
Revenues										
Tax levy	\$ 5,440,521	\$ 5,549,331	\$ 5,732,086	\$ 5,843,253	\$ 5,960,118	\$ 6,079,320	\$ 6,218,548	\$ 6,342,919	\$ 6,489,777	\$ 6,648,685
Tuition charges										
Interest earnings	450	198	-	141	-	1,736	7,190	-	511	263
Miscellaneous	129,931	99,760	105,181	113,807	166,911	154,559	125,253	128,295	138,021	312,930
State sources	3,592,084	3,528,313	3,757,656	3,745,372	3,867,839	4,010,714	4,058,577	3,854,235	3,847,331	3,844,389
Federal sources	279,038	239,981	227,518	229,086	216,837	187,802	251,070	247,104	416,388	466,254
Total revenue	9,442,024	9,417,583	9,822,441	9,931,659	10,211,705	10,434,131	10,660,638	10,572,553	10,892,028	11,272,521
Expenditures										
Instruction										
Regular Instruction	2,948,907	2,790,110	2,863,940	2,724,490	2,591,306	2,507,327	2,446,267	2,609,227	2,727,358	2,477,040
Special education instruction	643,433	649,149	719,191	764,829	728,158	632,278	751,244	605,819	621,661	644,450
Other special instruction	330,353	304,816	318,584	353,713	295,723	313,967	341,344	346,109	269,966	288,207
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	16,722	865	-	-	-	1,084	3,263	45	47,801
Student & instruction related services	1,333,308	1,390,299	1,372,008	1,441,669	1,245,093	1,378,424	1,342,390	1,333,016	1,384,821	1,495,272
General administrative services	491,452	523,503	507,276	496,693	530,599	522,626	521,282	502,014	499,546	529,939
School administrative services	291,959	295,113	275,281	267,751	277,252	275,649	265,522	241,814	228,910	218,657
Plant operations and maintenance	669,432	653,583	668,962	694,077	665,774	866,063	1,036,156	869,033	954,508	941,698
Pupil transportation	391,551	438,363	411,691	454,824	444,225	449,133	454,503	473,715	447,473	524,845
Unallocated employee benefits	2,417,284	2,264,373	2,345,401	2,483,990	2,594,576	2,760,986	2,909,752	2,959,761	3,090,014	3,530,314
Transfer to Charter School	6,739	-	-	48,889	44,807	-	-	-	44,758	43,070
Capital Outlay	237,035	115,033	287,306	195,872	521,279	406,499	383,875	490,338	191,788	613,642
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	9,761,453	9,441,064	9,770,505	9,926,797	9,938,792	10,112,952	10,453,419	10,434,109	10,460,848	11,354,935
Excess (Deficiency) of revenues over (under) expenditures	(319,429)	(23,481)	51,936	4,862	272,913	321,179	207,219	138,444	431,180	(82,414)
Other Financing Sources (uses)										
Transfers in	204,500	18,775	127,308							
Transfers out	(204,500)	(18,775)	(127,308)							
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (319,429)	\$ (23,481)	\$ 51,936	\$ 4,862	\$ 272,913	\$ 321,179	\$ 207,219	\$ 138,444	\$ 431,180	\$ (82,414)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

WASHINGTON TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Account</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Transportation</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 3,403	\$ 450	\$ 5,212	\$ 81,674	\$ 24,241	\$ 11,963	\$ 126,943
2014	1,468	198	4,996	90,501		2,285	99,448
2015	1,635			93,716		8,440	103,791
2016	2,785	141	10,778	98,700		1,000	113,404
2017	4,360		13,915	100,792	42,194	4,180	165,441
2018	8,257	1,736	22,327	102,852	18,198	1,354	154,724
2019	16,872	7,190		104,648	-	3,733	132,443
2020	12,147	-		101,430	-	12,718	132,443
2021	1,100	511	36,514	99,520	-	-	137,645
2022	284	263	110,395	101,032	-	87,116	299,090

SOURCE: District Records

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

Exhibit J-6

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2013	\$10,920,500	\$560,621,701	\$25,051,400	\$2,290,500	\$74,188,700	\$3,495,900	\$1,780,300	\$737,267,062	\$57,795,648	\$1,122,413	\$679,471,414	\$0.816	\$826,466,429
2014	10,364,300	558,903,101	26,397,900	2,399,300	75,759,900	3,445,900	1,780,300	737,724,389	57,457,248	1,216,440	680,267,141	0.844	784,880,638
2015	10,399,600	557,929,101	26,422,900	2,410,900	75,491,100	3,445,900	1,780,300	737,538,935	58,674,448	984,686	678,864,487	0.860	741,130,019
2016	11,107,000	557,507,301	25,814,400	2,465,700	77,247,900	3,445,900	1,780,300	739,047,749	59,679,148	100	679,368,601	0.875	730,164,989
2017	10,778,500	557,463,501	26,272,400	2,595,000	77,981,800	3,445,900	1,685,900	740,519,312	59,366,048	930,263	681,153,264	0.893	725,063,215
2018	10,670,500	556,977,408	26,323,600	2,585,000	78,268,768	3,573,300	1,685,900	740,624,234	59,588,748	951,010	681,035,486	0.907	700,881,018
2019	12,816,000	556,398,608	27,193,200	2,402,100	80,465,968	3,573,300	1,685,900	746,254,717	60,747,948	971,693	685,506,769	0.931	698,845,642
2020	10,168,100	555,469,808	27,501,100	2,427,100	80,528,968	3,573,300	1,685,900	745,197,824	63,843,548	-	681,354,276	0.944	708,550,380
2021	13,806,700	555,632,808	27,780,600	2,490,200	82,543,268	3,523,300	1,685,900	748,844,224	61,381,448	-	687,462,776	0.969	724,471,996
2022	12,816,500	554,709,808	28,315,700	2,388,800	82,543,268	3,523,300	1,685,900	747,809,324	61,826,048	-	685,983,276	0.969	730,278,125

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

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

Exhibit J-7

(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Washington Township Board of Education			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Regional School District	Washington Township	Library	Warren County	
2013	\$0.801	\$0.000	\$0.801	\$1.073	\$0.572	\$0.058	\$0.766	\$3.270
2014	\$0.816	\$0.000	\$0.816	\$0.964	\$0.581	\$0.058	\$0.765	\$3.184
2015	\$0.844	\$0.000	\$0.844	\$1.129	\$0.597	\$0.058	\$0.785	\$3.413
2016	\$0.860	\$0.000	\$0.860	\$1.154	\$0.613	\$0.000	\$0.834	\$3.461
2017	\$0.875	\$0.000	\$0.875	\$1.198	\$0.623	\$0.000	\$0.813	\$3.509
2018	\$0.893	\$0.000	\$0.893	\$1.151	\$0.662	\$0.000	\$0.781	\$3.487
2019	\$0.907	\$0.000	\$0.907	\$1.153	\$0.707	\$0.000	\$0.744	\$3.511
2020	\$0.931	\$0.000	\$0.931	\$1.189	\$0.737	\$0.000	\$0.743	\$3.600
2021	\$0.944	\$0.000	\$0.944	\$1.193	\$0.749	\$0.000	\$0.742	\$3.628
2022	\$0.969	\$0.000	\$0.969	\$1.204	\$0.767	\$0.000	\$0.743	\$3.683

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

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

Exhibit J-8

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Hawk Pointe, LLC	\$ 12,025,600	1	1.75%			1.06%
Asbury Farms	7,489,468	2	1.09%	\$ 6,675,000	2	1.06%
Washington Shopping Centers, Inc.	6,541,500	3	0.95%	7,938,700	1	1.26%
Desapio Properties, #3, LLC	3,376,800	4	0.49%	3,499,300	3	
Johnson Family Holdings LLC	3,342,700	5	0.49%			0.57%
Ed Mark 31, LLC	3,243,900	6	0.47%	3,243,900	4	0.56%
Fitzgibbon, Smith & Smith	3,134,900	7	0.46%	3,134,900	5	0.50%
Prime Storage	2,291,700	8	0.33%			
I. C. Washington Inc., - Eckerd Drug	1,875,400	9	0.27%	2,221,700	9	0.35%
Witte Holdings LLC	1,805,100	10	0.26%			
Estate of Richard Strunk				2,279,400	7	0.36%
Drugach Realty Co. - Shop Rite				2,778,200	6	0.44%
Witte Holdings, Inc.				1,677,700	10	0.27%
Total	\$ 45,127,068		6.58%	\$ 33,448,800		6.43%

Source: District ACFR & Municipal Tax Assessor

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

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$5,440,521	\$5,440,521	100.00%	-
2014	\$5,549,331	\$5,549,331	100.00%	-
2015	\$5,732,086	\$5,732,086	100.00%	-
2016	\$5,843,253	\$5,843,253	100.00%	-
2017	\$5,960,118	\$5,960,118	100.00%	-
2018	\$6,079,320	\$6,079,320	100.00%	-
2019	\$6,218,548	\$6,218,548	100.00%	-
2020	\$6,342,919	\$6,342,919	100.00%	-
2021	\$6,489,777	\$6,489,777	100.00%	-
2022	\$6,648,685	\$6,648,685	100.00%	-

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

Note:

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

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

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2013	-	-	-	-	-0-	-	0.00%	-
2014	-	-	-	-	-0-	-	0.00%	-
2015	-	-	-	-	-0-	-	0.00%	-
2016	-	-	-	-	-0-	-	0.00%	-
2017	-	-	-	-	-0-	-	0.00%	-
2018	-	-	-	-	-0-	-	0.00%	-
2019	-	-	-	-	-0-	-	0.00%	-
2020	-	-	-	-	-0-	-	0.00%	-
2021	-	-	-	-	-0-	-	0.00%	-
2022	-	-	-	-	-0-	-	0.00%	-

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

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

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

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

Exhibit J-11

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2013	-	-0-	-	0.00%	- R
2014	-	-0-	-	0.00%	- R
2015	-	-0-	-	0.00%	- R
2016	-	-0-	-	0.00%	- R
2017	-	-0-	-	0.00%	- R
2018	-	-0-	-	0.00%	- R
2019	-	-0-	-	0.00%	- R
2020	-	-0-	-	0.00%	- R
2021	-	-0-	-	0.00%	- R
2022	-	-0-	-	0.00%	- *

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

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

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

R Revised

* Current data unavailable

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

Exhibit J-12

<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			
Township of Washington	\$ 8,398,017	100.000%	\$ 8,398,017
Other debt			
Warren County	1,305,000	6.431%	<u>83,927</u>
Subtotal, overlapping debt			8,481,944
Washington Township School District Direct Debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 8,481,944</u></u>

Sources: Township Finance Officer, Warren County Finance Office and Utility Authorities

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized valuation basis
	2019 716,234,916
	2020 730,023,124
	2021 777,935,219
	[A] \$ <u>2,224,193,259</u>
Average equalized valuation of taxable property	[A/3] \$ 741,397,753
Debt limit (3 % of average equalization value)	[B] 22,241,933
Net bonded school debt	[C] -
Legal debt margin	[B-C] \$ <u>22,241,933</u>

	Fiscal Year									
	<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>
Debt limit	\$24,619,346	\$23,401,519	\$22,458,961	\$21,869,769	\$21,459,997	\$21,109,345	\$20,996,850	\$21,177,540	\$21,562,830	\$ 22,241,933
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$24,619,346</u>	<u>\$23,401,519</u>	<u>\$22,458,961</u>	<u>\$21,869,769</u>	<u>\$21,459,997</u>	<u>\$21,109,345</u>	<u>\$20,996,850</u>	<u>\$21,177,540</u>	<u>\$21,562,830</u>	<u>\$22,241,933</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	6,541	\$ 310,335,424	\$47,223 R	6.0%
2014	6,485	\$ 316,567,372	\$48,887 R	5.3%
2015	6,482	\$ 328,350,768	\$50,741 R	4.8%
2016	6,460	\$ 334,759,724	\$51,503 R	3.9%
2017	6,414	\$ 333,216,104	\$53,149 R	3.7%
2018	6,382	\$ 332,444,294	\$54,973 R	3.4%
2019	6,385	\$ 330,386,134	\$56,956 R	3.2%
2020	6,367	\$ 356,136,474	\$60,525 R	7.7%
2021	6,366	\$ 368,298,564	\$60,525 *	4.9%
2022	6,508	\$ 393,896,700	\$60,525 *	*

Source:

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

^b Personal income provided by US Dept Commerce

^c Per Capita provided by NJ Dept of Labor

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

P =Projected

R =Revised

* Current data unavailable

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

Exhibit J-15
N/A

Employer	2022			2013		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	-		0.00%	-		0.00%

Source:

No reliable information is available at the local or county level.

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

Exhibit J-16

<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	38.0	37.0	38.0	37.0	36.3	35.0	35.0	32.8	32.1	31.0
Special education	13.8	15.0	15.0	16.0	14.5	13.5	13.5	12.0	13.7	12.9
Other instruction	22.3	21.2	22.0	21.8	14.1	16.3	17.4	17.9	14.6	10.3
Support Services:										
Tuition										
Student & instruction related services	10.5	10.4	9.8	10.2	9.6	10.2	10.2	10.2	10.8	11.9
General administrative services	2.7	2.7	2.7	2.7	2.5	2.5	2.5	2.5	2.5	2.4
School administrative services	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.6
Business administrative services	1.5	1.6	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Plant operations and maintenance	5.9	5.6	5.6	5.6	5.3	5.3	4.7	4.9	5.0	5.0
Pupil transportation	1.5	1.4	1.4	1.6	1.6	1.6	1.6	1.6	1.6	1.1
Food Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care	1.5	1.5	2.0	1.5	1.5	1.5	2.0	2.0	0.0	2.0
Total	102.0	100.7	102.3	102.3	91.3	91.8	92.8	89.8	86.2	82.8

Source: District Personnel Records

Washington Township School District
 Operating Statistics
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2013	600	\$ 9,524,418	\$ 15,874	6.92%	54	11.1:1		596.2	568.3	-0.17%	95.3%
2014	541	9,326,031	17,239	8.60%	53	10.2:1		545.1	521.7	-8.57%	95.7%
2015	522	9,483,199	18,167	5.39%	53	9.8:1		519.0	494.8	-4.79%	95.3%
2016	489	9,730,925	19,900	9.54%	52	9.4:1		483.7	461.9	-6.80%	95.5%
2017	467	9,417,513	20,166	1.34%	51	9.2:1		469.1	444.5	-3.02%	94.8%
2018	453	9,706,453	21,427	6.25%	51	8.9:1		380.3	275.8	-18.93%	72.5%
2019	421	10,069,544	23,918	11.63%	52	8.1:1		425.7	402.6	11.94%	94.6%
2020	419	9,943,771	23,732	-0.78%	52	8.1:1		417.8	399.2	-1.86%	95.5%
2021	381	10,269,060	26,953	13.57%	52	7.3:1		390.7	374.2	-6.49%	95.8%
2022	399	10,741,293	26,921	-0.12%	52	7.7:1		395.1	374.0	1.13%	94.7%

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

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Exhibit J-18

	<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>
<u>District Building</u>										
<u>Elementary</u>										
Brass Castle (1961)										
Square Feet	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400
Capacity (students)	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6
Enrollment	357.0	342.0	327.0	304.0	290.0	287.0	259.0	264.0	234.0	231.0
Port Colden (1932)										
Square Feet	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450
Capacity (students)	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4
Enrollment	239.0	199.0	194.0	177.0	180.0	166.0	165.0	150.0	147.0	168.0
Old School House (District Office)										
Square Feet	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Number of Schools at June 30, 2022

Source: District records, ASSA

Elementary = 2

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
Last Ten Fiscal Years Ending June 30, 2022

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>	<u>Total</u>
Brass Castle	040	\$158,490	\$108,856	\$109,732	\$112,006	\$94,873	\$211,624	\$290,095	\$195,618	\$216,707	\$209,101	\$1,707,102
Port Colden	050	111,925	76,874	77,492	79,098	66,998	149,447	204,864	138,144	153,038	147,666	1,205,546
PC Old Schoolhouse		10,099	6,936	6,992	7,137	6,045	13,484	18,484	12,464	13,808	13,323	108,772
Total School Facilities		280,514	192,666	194,216	198,241	167,916	374,555	513,443	346,226	383,553	370,090	3,021,420
Other Facilities												
Grand Total		\$280,514	\$192,666	\$194,216	\$198,241	\$167,916	\$374,555	\$513,443	\$346,226	\$383,553	\$370,090	\$3,021,420

WASHINGTON TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

June 30, 2022

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
SCHOOL PACKAGE POLICY - SAIF		
*Property-Blanket Building and Contents	\$ 500,000,000	\$ 2,500
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	1,000
Comprehensive Crime Coverage (each loss)	400,000	1,000
Blanket Dishonesty Bond (per loss)	400,000	1,000
BOILER AND MACHINERY - SAIF		
*Property Damage	100,000,000	1,000
UMBRELLA LIABILITY- SAIF		
Umbrella Policy	5,000,000	Per Occurrence
SCHOOL BOARD LEGAL LIABILITY - SAIF		
Directors and Officers Policy	5,000,000	5,000
PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE		
BLANKET POSITION BOND - Selective Insurance		
Board Administrator	180,000	

* School Alliance Insurance Fund (SAIF)

SOURCE: District Records

Single Audit Section



ARDITO & COMPANY LLC

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 e-mail: anthony@arditoandcompany.com

Anthony Ardito, CPA, RMA, CMFO, PSA

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

Independent Auditor's Report

Honorable President and
 Members of the Board of Education
 Washington Township School District
 County of Warren
 Washington, New Jersey 07882

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Township School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Washington Township School District Board of Education's basic financial statements, and have issued our report thereon dated January 20, 2023.

Internal Control Over Financial Reporting

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

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

-Continued-

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

Compliance and Other Matters

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

Purpose of this Report

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

Ardito & Company LLC

ARDITO & COMPANY LLC
January 20, 2023

Anthony Ardito

Anthony Ardito
Licensed Public School Accountant No. 2369



ARDITO & COMPANY LLC

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Anthony Ardito, CPA, RMA, CMFO, PSA

Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by New Jersey OMB circular 15-08

Honorable President and
 Members of the Board of Education
 Washington Township School District
 County of Warren
 Washington, New Jersey 07882

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Washington Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant *Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2022. The Washington Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey 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 Washington Township School District Board of Education, 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Washington Township School District Board of Education's compliance with the compliance requirements referred to above.

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 state programs.

-Continued-

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 generally accepted auditing standards, **Government Auditing Standards**, and New Jersey 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 state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, **Government Auditing Standards**, and New Jersey 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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.

-Continued-

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

Ardito & Company LLC

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

Anthony Ardito

Anthony Ardito

Certified Public Accountant

ARDITO & COMPANY LLC

Frenchtown, New Jersey

January 20, 2023

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2021	Carryover/ Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2022			Cumulative Total Expenditures	
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education Passed- Through State Department of Education: Special Revenue Fund:																	
Title I	84.010	S010A210030	ESEA22	\$30,723	7/1/21	6/30/22	\$ (10,694)	\$	31,555	\$ (30,723)				\$ (9,862)		\$ 30,723	
Title II Part A	84.367	S367B210027	ESEA22	8,263	7/1/21	6/30/22	(3,731)		11,438	(8,263)				(556)		8,263	
Title IV	84.424A	S424B210031	ESEA22	10,000	7/1/21	6/30/22			7,027	(10,000)				(2,973)		10,000	
Total ESEA							(14,425)	-	50,020	(48,986)	-	-		(13,391)	-	48,986	
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	FT553022	144,211	7/1/21	6/30/22	(36,831)		166,337	(144,211)				(14,705)		144,211	
I.D.E.A. Part B, Basic Preschool	84.173	H173A210114	FT553022	11,007	7/1/21	6/30/22	(2,001)		13,008	(11,007)						11,007	
American Rescue Plan-IDEA Basic	84.027X	H027X210100	ARP IDEA	18,322	3/13/20	9/30/24	-		10,000	(18,322)				(8,322)		18,322	
American Rescue Plan-IDEA Preschool	84.173X	H173X210114	ARP IDEA PS	1,561	3/13/20	9/30/24	-		1,561	(1,561)						1,561	
Total Special Education Cluster							(38,832)	-	190,906	(175,101)	-	-		(23,027)	-	175,101	
Rural Education Achievement Program	84.358A	S358B210030	S358A213935	39,152	7/1/21	6/30/22			39,152	(39,152)						39,152	
American Rescue Plan-ESSER III	84.425U	S425U210027	ARP	266,893	3/13/20	9/30/24	-		-	-				(266,893)	\$ 266,893	-	
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U210027	ARP	50,000	3/13/20	9/30/24	-		-	-				(50,000)	50,000	-	
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U210027	ARP	40,000	3/13/20	9/30/24	-		-	-				(40,000)	40,000	-	
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U210027	ARP	40,000	3/13/20	9/30/24	-		-	(22,085)				(40,000)	17,915	22,085	
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U210027	ARP	45,000	3/13/20	9/30/24	-		-	-				(45,000)	45,000	-	
CARES Emergency Relief Grant	84.425D	S425D210027	CARES	30,468	3/13/20	9/30/22	(1,578)		1,578	-				-	-	-	
CRRSA ESSER II	84.425D	S425D210027	CRRSA	118,754	3/13/20	9/30/23			30,801	(118,754)				(87,953)	-	118,754	
CRRSA Learning	84.425D	S425D210027	CRRSA	25,000	3/13/20	9/30/23			-	-				(25,000)	25,000	-	
CRRSA Mental Health	84.425D	S425D210027	CRRSA	45,000	3/13/20	9/30/23			21,506	(30,421)				(23,494)	14,579	30,421	
Total Education Stabilization Fund							(1,578)	-	53,885	(171,260)	-	-		(578,340)	459,387	171,260	
U.S. Department of Homeland Security (FEMA) Passed- Through NJ State Department of Treasury: Special Revenue Fund:																	
NJ State Police FEMA Grant	97.067	N/A	0661200DG11571	35,319	7/1/21	6/30/22	(110,398)		145,717	(35,319)				-	-	35,319	
Total Special Revenue Fund							(165,233)	-	479,680	(469,818)	-	-		(614,758)	459,387	469,818	
U.S. Department of Agriculture Passed-Through State Dept. of Education Enterprise Fund:																	
Child Nutrition Cluster:																	
Food Distribution Program	10.555	211NJ304N1099	N/A		7/1/20	6/30/21	2,988			(2,988)						2,988	
Food Distribution Program	10.555	221NJ304N1099	N/A	10,109	7/1/21	6/30/22			10,109	(8,152)				1,957		8,152	
School Breakfast Program	10.553	211NJ304N1099	N/A		7/1/20	6/30/21	(2,682)		2,682								
School Breakfast Program	10.553	221NJ304N1099	N/A	60,756	7/1/21	6/30/22			56,768	(60,756)				(3,988)		60,756	
National School Lunch Program	10.555	211NJ304N1099	N/A		7/1/20	6/30/21	(7,078)		7,078								
National School Lunch Program	10.555	221NJ304N1099	N/A	192,591	7/1/21	6/30/22			180,578	(192,591)				(12,013)		192,591	
P-EBT Administrative Cost	10.649	20222S900941	N/A	628	7/1/21	6/30/22			628	(628)				-		628	
Total Enterprise Fund							(6,772)	-	257,843	(265,115)	-	-		(16,001)	1,957	265,115	
TOTAL FEDERAL ASSISTANCE							\$ (172,005)	-	\$ 737,523	\$ (734,933)	-	-	\$ (630,759)	\$ 461,344	-	\$ 734,933	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.
Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2022

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2021	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2022			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
State Department of Education															
General Fund															
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	\$ 820,493			\$ 820,493	\$ (820,493)							* \$ 81,439	\$ 820,493
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	258,367			258,367	(258,367)							* 25,645	258,367
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	351,820			351,820	(351,820)							* 34,920	351,820
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	49,011			49,011	(49,011)							* 4,865	49,011
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	110,797			-	(110,797)			\$ (110,797)				* 110,797	
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	94,837	\$ (94,837)		94,837	-							* 94,837	
Non- Public Transportation Aid	22-100-034-5120-068	7/1/21-6/30/22	1,740			-	(1,740)			(1,740)				* 1,740	
Non- Public Transportation Aid	21-100-034-5120-068	7/1/20-6/30/21	580	(580)		580	-							* 580	
On Behalf TPAF Pension	22-495-034-5094-002	7/1/21-6/30/22	1,532,073			1,532,073	(1,532,073)							* 1,532,073	
On Behalf TPAF Pension PMR	22-495-034-5094-001	7/1/21-6/30/22	357,954			357,954	(357,954)							* 357,954	
On Behalf TPAF Pension LTD Ins	22-495-034-5094-004	7/1/21-6/30/22	675			675	(675)							* 675	
Reimb. TPAF Soc.Secur.Contrib.	22-495-034-5094-003	7/1/21-6/30/22	302,170	(14,794)		287,658	(302,170)			(29,306)				* 302,170	
Total General Fund				(110,211)		3,753,468	(3,785,100)			(141,843)				* 146,869	3,880,517
Special Revenue Fund															
N.J. Nonpublic Aid:															
Textbooks Aid	22-100-034-5120-064	7/1/21-6/30/22	480			480	(480)							* 480	
Technology Aid	22-100-034-5120-373	7/1/21-6/30/22	336			336	(333)				\$ 3			* 333	
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	2,625			2,625	(2,533)					92		* 2,533	
SDA Grant - Emergency and Capital Aid	Not Available	7/1/21-6/30/22	9,231			9,231	(9,231)							* 9,231	
Total Special Revenue Fund				-	-	12,672	(12,577)	-	-	-	-	-	95	* -	12,577
State Department of Agriculture															
Enterprise Fund:															
Nat.School Lunch Prog.(State Share)	21-100-010-3350-023	7/1/20-6/30/21		(504)		504								* 504	
Nat.School Lunch Prog.(State Share)	22-100-010-3350-023	7/1/21-6/30/22	4,454			4,177	(4,454)				(277)			* 4,454	
Total Enterprise Fund				(504)		4,681	(4,454)				(277)			* 4,454	
Total State Financial Assistance				\$ (110,715)	-	\$ 3,770,821	\$ (3,802,131)	-	-	\$ (142,120)	-	\$ 95		* \$ 146,869	\$ 3,897,548
<u>Less On-behalf TPAF Pension Amounts:</u>															
On Behalf TPAF Pension	22-495-034-5094-002						1,532,073								
On Behalf TPAF Pension PMR	22-495-034-5094-001						357,954								
On Behalf TPAF Pension LTD Ins	22-495-034-5094-004						675								
Total State Expenditures Subject to Major Program Determination							\$ (1,911,429)								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
JUNE 30, 2022

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$46,712 for the general fund and (\$3,305) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE
 JUNE 30, 2022

NOTE 3. (Continued)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 3,831,812	\$ 3,831,812
Special Revenue Fund	\$ 466,254	12,577	478,831
Food Service Fund	<u>265,116</u>	<u>4,454</u>	<u>269,570</u>
Total Financial Assistance	<u>\$ 731,370</u>	<u>\$ 3,848,843</u>	<u>\$ 4,580,213</u>

NOTE 4. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? ___ Yes **x** No

2) Were significant deficiencies identified that were not considered to be material weaknesses? ___ Yes **x** None Reported

Noncompliance material to financial statements noted? ___ Yes **x** No

Federal Awards

Not Applicable

Internal control over major programs:

1) Material weakness(es) identified? ___ Yes ___ No

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

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

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

Identification of major programs:

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Financial Assistance Section

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? x_yes_ _no

Internal Control over major programs:

1) Material weakness(es) identified? _yes_ _x_ _no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _yes_ _x_ _none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable? _yes_ _x_ _no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

22-495-034-5122-078	Equalization Aid (State Aid Cluster)
22-495-034-5122-089	Special Education Aid (State Aid Cluster)
22-495-034-5122-084	Security Aid (State Aid Cluster)
22-495-034-5094-003	Reimb. TPAF Soc. Security Contrib.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section II-Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting.

Financial Statement N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and NJOMB Circular Letter 15-08, as applicable.

Federal Awards N/A

State Awards N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

STATUS OF PRIOR YEAR FINDINGS

N/A

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