

**SCHOOL DISTRICT
OF
WASHINGTON TOWNSHIP**

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

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023**

**Annual Comprehensive
Financial Report**

of the

Washington Township School District

Long Valley, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

**Washington Township School District
Business Office**

WASHINGTON TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

Washington Township Board of Education

53 West Mill Road, Long Valley, NJ 07853

Phone: 908-876-4172

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Peter Turnamian, Ed. D.
Superintendent

Katherine DeRiso
Business Administrator

October 3, 2023

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

Dear Board Members and Constituents:

The annual comprehensive financial report of the Washington Township School District (the "District") for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Washington Township Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction overview and analysis of the basic financial statements. It is intended to complement this letter of transmittal and should be read in conjunction with it.

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

1) REPORTING ENTITY AND ITS SERVICES: The Washington Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Washington Township School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped youngsters. The District completed the 2022-23 fiscal year with an enrollment of 1,974 students, which is an increase of 51 students from the previous year's enrollment.

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

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

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

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

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

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

The Honorable President and Members of
the Board of Education
Washington Township School District
Page 3
October 3, 2023

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2023.

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

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

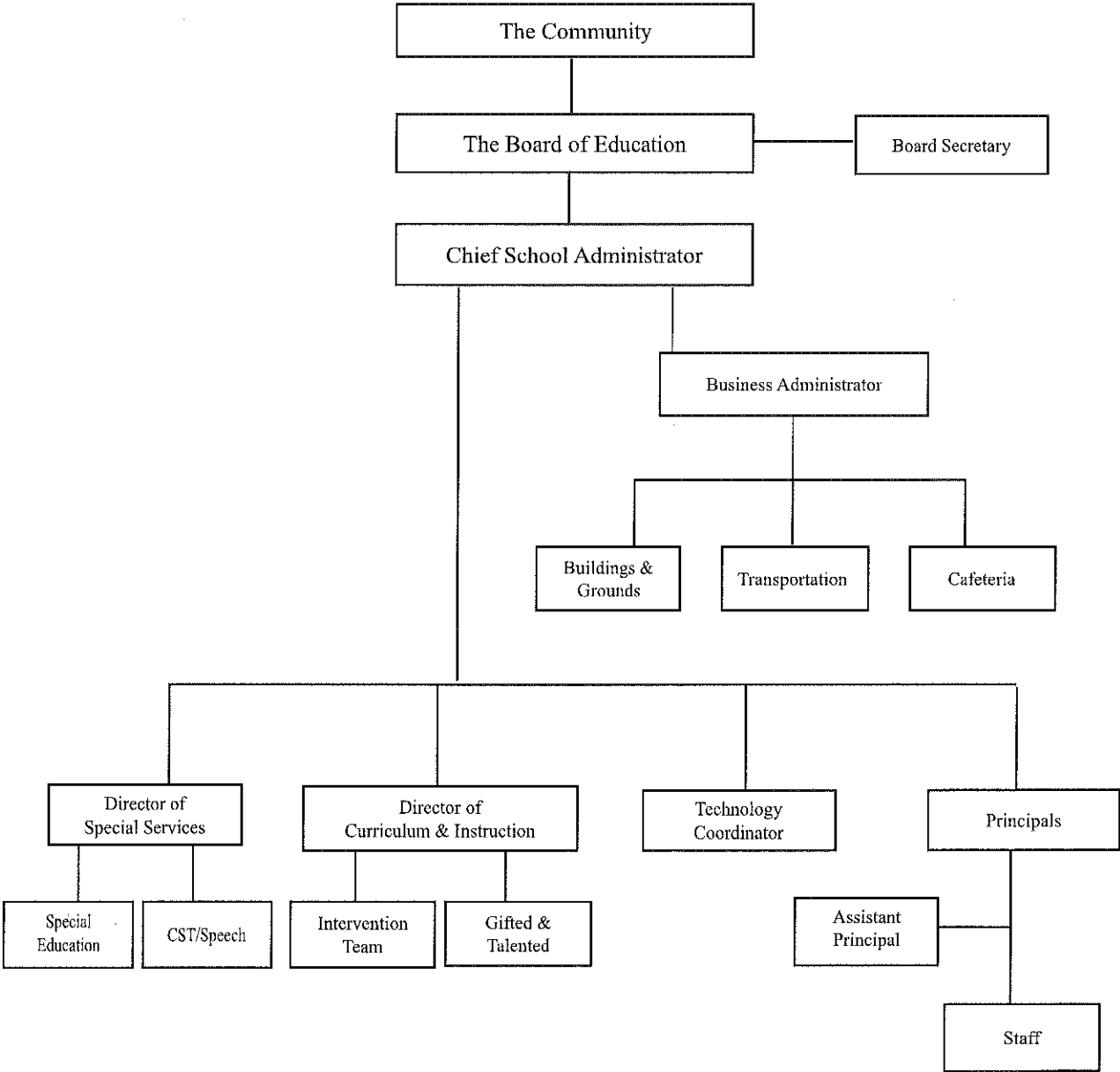
8) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Washington Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance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

Respectfully submitted,

Peter Turnamian
Peter Turnamian, Ed. D.
Superintendent

Katherine DeRiso
Katherine DeRiso
Business Administrator/Board Secretary

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



**WASHINGTON TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jill Mucerino, President	2023
Robert Waskis, Vice President	2024
Carmine Capogrosso	2024
Jessica DeCicco	2025
John Holly	2025
Jason Koestenblatt	2023
Cindy Ruggiero	2024
Lyndsay Suchy	2025
Stephanie Wilson	2023

Other Officers

Title

Peter Turnamian, Ed. D	Superintendent of Schools
Elizabeth George, CPA	Board Secretary/School Business Administrator

WASHINGTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

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

Attorney

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

Official Depository

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Washington Township School District (the “District”), in the County of Morris, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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

October 3, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This section of Washington Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

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

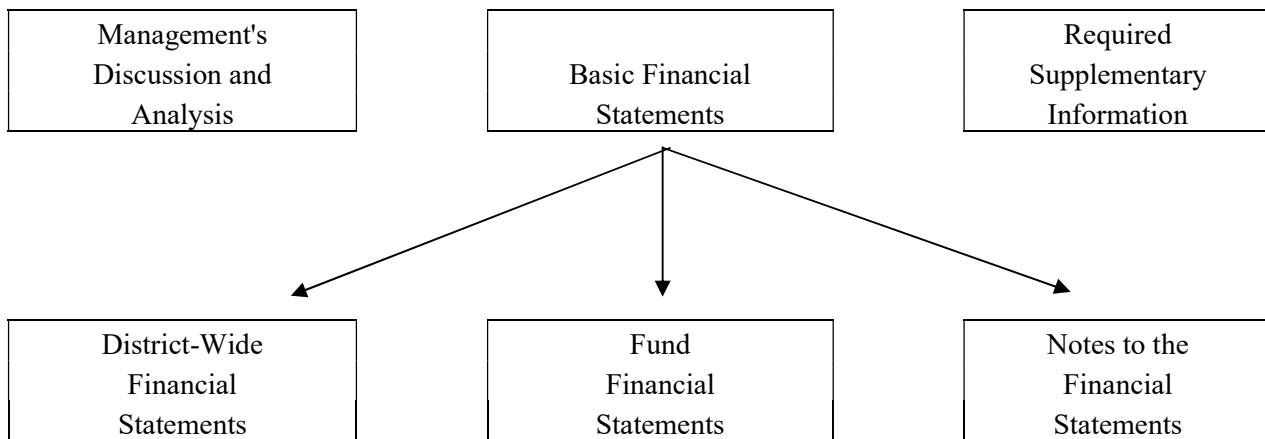


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Financial Analysis of the District as a Whole

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

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

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
Assets:							
Current and							
Other Assets	\$ 6,152,662	\$ 6,036,539	\$ 219,788	\$ 303,271	\$ 6,372,450	\$ 6,339,810	
Capital Assets, Net	41,530,071	39,712,277	13,624	32,723	41,543,695	39,745,000	
Total Assets	47,682,733	45,748,816	233,412	335,994	47,916,145	46,084,810	-3.82%
Deferred Outflows of Resources	868,541	1,385,392			868,541	1,385,392	59.51%
Liabilities:							
Long-Term Liabilities	12,934,983	13,257,198			12,934,983	13,257,198	
Other Liabilities	998,685	1,010,601	40,477	70,207	1,039,162	1,080,808	
Total Liabilities	13,933,668	14,267,799	40,477	70,207	13,974,145	14,338,006	2.60%
Deferred Inflows of Resources	5,825,280	2,306,435			5,825,280	2,306,435	-60.41%
Net Position:							
Net Investment in							
Capital Assets	37,851,997	37,778,043	13,624	32,723	37,865,621	37,810,766	
Restricted	1,995,249	2,512,293			1,995,249	2,512,293	
Unrestricted/(Deficit)	(11,054,920)	(9,730,362)	179,311	233,064	(10,875,609)	(9,497,298)	
Total Net Position /(Deficit)	\$ 28,792,326	\$ 30,559,974	\$ 192,935	\$ 265,787	\$ 28,985,261	\$ 30,825,761	6.35%

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

Changes in Net Position. The District’s combined net position was \$30,825,761 on June 30, 2023, \$1,840,500 or 6.35% more than it was the year before (See Figure A-3). The net position of the governmental activities increased \$1,767,648 and the net position of the business-type activates increased \$72,852 (See Figure A-4).

Figure A-4**Changes in Net Position from Operating Results**

	Business-Type				Total School District		Total
	Governmental Activities		Activities				Percentage
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,403,913	\$ 1,822,925	\$ 12,735	\$ 450,156	\$ 1,416,648	\$ 2,273,081	
Operating Grants and Contributions	21,241,477	17,246,061	1,025,745	250,874	22,267,222	17,496,935	
General Revenue:							
Property Taxes	37,747,973	38,587,324			37,747,973	38,587,324	
Not Restricted	1,443,423	22,113			1,443,423	22,113	
Other	243,996	537,800			243,996	537,800	
Total Revenue	62,080,782	58,216,223	1,038,480	701,030	63,119,262	58,917,253	-6.66%
Expenses:							
Instruction	32,189,865	31,741,988			32,189,865	31,741,988	
Pupil and Instruction Services	10,530,125	9,555,348			10,530,125	9,555,348	
Administrative and Business	3,947,346	3,841,299			3,947,346	3,841,299	
Maintenance and Operations	5,057,269	5,063,531			5,057,269	5,063,531	
Transportation	5,459,090	6,089,989			5,459,090	6,089,989	
Other	494,258	156,420	710,255	628,178	1,204,513	784,598	
Total Expenses	57,677,953	56,448,575	710,255	628,178	58,388,208	57,076,753	-2.25%
Increase/(Decrease) in							
Net Position	4,402,829	1,767,648	328,225	72,852	4,731,054	1,840,500	-61.10%
Beginning Net Position	24,389,497	28,792,326	(135,290)	192,935	24,254,207	28,985,261	
Ending Net Position	<u>\$ 28,792,326</u>	<u>\$ 30,559,974</u>	<u>\$ 192,935</u>	<u>\$ 265,787</u>	<u>\$ 28,985,261</u>	<u>\$ 30,825,761</u>	6.35%

Governmental Activities

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

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

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

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

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

Figure A-5
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2021/22	2022/23	2021/22	2022/23
Instruction	\$ 32,189,865	\$ 31,741,988	\$ 16,914,176	\$19,082,808
Pupil and Instruction Services	10,530,125	9,555,348	7,412,750	7,003,766
Administrative and Business	3,947,346	3,841,299	2,849,513	2,986,904
Maintenance and Operations	5,057,269	5,063,531	3,864,400	4,192,604
Transportation	5,459,090	6,089,989	3,584,797	3,957,087
Other	494,258	156,420	215,409	156,420
	<u>\$ 57,677,953</u>	<u>\$ 56,448,575</u>	<u>\$ 34,841,045</u>	<u>\$ 37,379,589</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$72,852. (Refer to Figure A-4). Factors contributing to this result were:

- Revenues exceeded expenses in food service fund by \$72,852 due to the District receiving Supply Chain Assistance Funding.

Financial Analysis of the District's Funds

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

Figure A-6

Capital Assets (Net of Depreciation)	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	
	Land	\$ 1,024,701	\$ 1,024,701			\$ 1,024,701	
Construction in Progress	462,731	64,173			462,731	64,173	
Site Improvements, Buildings and Building Improvements, Furniture, Machinery and Equipment	40,042,639	38,623,403	\$ 13,624	\$ 32,723	40,056,263	38,656,126	
	<u>\$ 41,530,071</u>	<u>\$ 39,712,277</u>	<u>\$ 13,624</u>	<u>\$ 32,723</u>	<u>\$ 41,543,695</u>	<u>\$ 39,745,000</u>	-4.33%

Long-term Liabilities

At year-end, the District had \$1,215,000 in general obligation bonds outstanding – a reduction of \$1,350,000 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 9 to the Basic Financial Statements.)

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2021/22	2022/23	
Serial Bonds Payable	\$ 2,565,000	\$ 1,215,000	
Unamortized Bond Premium	132,240	66,120	
Financed Purchases Payable	1,162,106	743,750	
Net Pension Liability	6,989,884	9,134,004	
Compensated Absences Payable	2,085,753	2,098,324	
	<u>\$ 12,934,983</u>	<u>\$ 13,257,198</u>	2.49%

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

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

- The continued impact of S1701 legislation. S1701, adopted by the State of New Jersey on June 17, 2004, places limits on the District’s ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to appropriate available fund balance as needed, and the ability to transfer available funds between appropriation accounts. Taking away the option of transferring available funds during the budget year has severely impacted our ability to maintain and improve our facilities. In addition, the limitation of unassigned fund balance to 2% of expenditures reduces the District’s ability to respond to emergent conditions and limits the use of fund balance in future budgets.
- Upon the passage of S2, the District was notified of anticipated reductions in State Aid due to previous declines in enrollment and the State not utilizing the State Aid Funding Formula for the apportioning of aid to local districts in prior years. As a result, there could be increased pressure to increase the local tax rate at the expense of cutting services. The fiscal year ending June 30, 2023 was the 5th of a 6 year implementation of S2.

Contacting the District’s Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,570,629	\$ 278,570	\$ 2,849,199
Receivables from Federal Government	48,499	7,079	55,578
Receivables from State Government	871,561	435	871,996
Receivables from Other Governments	2,004		2,004
Other Receivables	31,553		31,553
Inventory		17,187	17,187
Restricted Cash and Cash Equivalents	2,512,293		2,512,293
Capital Assets:			
Sites (Land) and Construction in Progress	1,088,874		1,088,874
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	38,623,403	32,723	38,656,126
Total Assets	<u>45,748,816</u>	<u>335,994</u>	<u>46,084,810</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	90,636		90,636
Deferred Outflows Related to Pensions	1,294,756		1,294,756
Total Deferred Outflows of Resources	<u>1,385,392</u>		<u>1,385,392</u>
LIABILITIES			
Accounts Payable	958,683	37,235	995,918
Unearned Revenue	51,918	32,972	84,890
Noncurrent Liabilities:			
Due Within One Year	1,619,244		1,619,244
Due Beyond One Year	11,637,954		11,637,954
Total Liabilities	<u>14,267,799</u>	<u>70,207</u>	<u>14,338,006</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	2,306,435		2,306,435
Total Deferred Inflows of Resources	<u>2,306,435</u>		<u>2,306,435</u>
NET POSITION			
Net Investment in Capital Assets	37,778,043	32,723	37,810,766
Restricted for:			
Capital Projects	1,324,825		1,324,825
Emergency Reserve	200,200		200,200
Maintenance Reserve	200,000		200,000
Student Activities	21,658		21,658
Unemployment Compensation	765,610		765,610
Unrestricted/(Deficit)	(9,730,362)	233,064	(9,497,298)
Total Net Position/(Deficit)	<u>\$ 30,559,974</u>	<u>\$ 265,787</u>	<u>\$ 30,825,761</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenue		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 20,834,355	\$ 161,869	\$ 7,070,819	\$ (13,601,667)	\$ (13,601,667)	\$ (13,601,667)
Special Education	8,670,047		4,885,523	(3,784,524)	(3,784,524)	(3,784,524)
Other Special Instruction	1,964,110		478,277	(1,485,833)	(1,485,833)	(1,485,833)
School Sponsored/Other Instruction	273,476		62,692	(210,784)	(210,784)	(210,784)
Support Services:						
Tuition	729,007		575,173	(153,834)	(153,834)	(153,834)
Student & Instruction Related Services	8,826,341		1,976,409	(6,849,932)	(6,849,932)	(6,849,932)
General Administrative Services	791,044		118,206	(672,838)	(672,838)	(672,838)
School Administrative Services	2,105,270		528,883	(1,576,387)	(1,576,387)	(1,576,387)
Central Services	903,926		207,306	(696,620)	(696,620)	(696,620)
Administrative Information Technology	41,059			(41,059)	(41,059)	(41,059)
Plant Operations and Maintenance	5,063,531		870,927	(4,192,604)	(4,192,604)	(4,192,604)
Pupil Transportation	6,089,989	1,661,056	471,846	(3,957,087)	(3,957,087)	(3,957,087)
Interest on Long-Term Debt	122,764			(122,764)	(122,764)	(122,764)
Capital Outlay	33,656			(33,656)	(33,656)	(33,656)
Total Governmental Activities	56,448,575	1,822,925	17,246,061	(37,379,589)		(37,379,589)
Business-Type Activities:						
Food Service	628,178	450,156	250,874		\$ 72,852	72,852
Total Business-Type Activities	628,178	450,156	250,874		72,852	72,852
Total Primary Government	\$ 57,076,753	\$ 2,273,081	\$ 17,496,935	\$ (37,379,589)	\$ 72,852	\$ (37,306,737)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 37,181,355		\$ 37,181,355
Taxes Levied for Debt Service	1,405,969		1,405,969
Federal and State Aid not Restricted	22,113		22,113
Miscellaneous Income	537,800		537,800
	39,147,237		39,147,237
Total General Revenue			
Change in Net Position	1,767,648	\$ 72,852	1,840,500
Net Position/(Deficit) - Beginning	28,792,326	192,935	28,985,261
Net Position/(Deficit) - Ending	\$ 30,559,974	\$ 265,787	\$ 30,825,761

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

FUND FINANCIAL STATEMENTS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,570,629			\$ 2,570,629
Receivables From Federal Government		\$ 48,499		48,499
Receivables From State Government	867,204	4,357		871,561
Receivables From Other Government		2,004		2,004
Interfund Receivable	379,791			379,791
Other Receivables	4,934			4,934
Restricted Cash and Cash Equivalents	2,490,635	21,658		2,512,293
Total Assets	<u>\$ 6,313,193</u>	<u>\$ 76,518</u>	<u>\$ -0-</u>	<u>\$ 6,389,711</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 360,863	\$ 230		\$ 361,093
Interfund Payable		5,612	\$ 30,032	35,644
Unearned Revenue	2,900	49,018		51,918
Total Liabilities	<u>363,763</u>	<u>54,860</u>	<u>30,032</u>	<u>448,655</u>
Fund Balances:				
Restricted for:				
Capital Reserve Account	1,324,825			1,324,825
Emergency Reserve Account	200,200			200,200
Maintenance Reserve Account	200,000			200,000
Student Activities		21,658		21,658
Unemployment Compensation	765,610			765,610
Assigned:				
Subsequent Year's Expenditures	1,600,000			1,600,000
Year-end Encumbrances	269,429			269,429
Unassigned/(Deficit)	1,589,366		(30,032)	1,559,334
Total Fund Balances/(Deficit)	<u>5,949,430</u>	<u>21,658</u>	<u>(30,032)</u>	<u>5,941,056</u>
Total Liabilities and Fund Balances/(Deficit)	<u>\$ 6,313,193</u>	<u>\$ 76,518</u>	<u>\$ -0-</u>	<u>\$ 6,389,711</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

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

Fund Balance of Governmental Funds	\$ 5,941,056
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	39,712,277
Internal service funds are used by management to charge the costs of transportation to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.	(324,519)
The deferred amount on the refunding is reported as an expenditure in the Governmental Funds in the year of expenditure.	90,636
Premium on Bond Issuance is reported as a revenue in the Governmental Funds.	(66,120)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(9,134,004)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows - Pensions	704,157
Deferred Inflows - Pensions	(2,306,435)
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.	(4,057,074)
Net Position of Governmental Activities	\$ 30,559,974

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUE:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 37,181,355			\$ 1,405,969	\$ 38,587,324
Tuition from Individuals	161,869				161,869
Miscellaneous	537,800	\$ 270,384			808,184
Total - Local Sources	<u>37,881,024</u>	<u>270,384</u>		<u>1,405,969</u>	<u>39,557,377</u>
State Sources	15,746,449	7,507			15,753,956
Federal Sources	22,113	1,083,084			1,105,197
Total Revenue	<u>53,649,586</u>	<u>1,360,975</u>		<u>1,405,969</u>	<u>56,416,530</u>
EXPENDITURES:					
Current:					
Regular Instruction	12,737,506	396,235			13,133,741
Special Education Instruction	5,226,057	31,864			5,257,921
Other Special Instruction	1,187,385				1,187,385
School Sponsored/Other Instruction	171,664				171,664
Support Services and Undistributed Costs:					
Tuition	153,834	575,173			729,007
Student & Instruction Related Services	4,948,644	359,182			5,307,826
General Administrative Services	561,215				561,215
School Administrative Services	1,326,647				1,326,647
Central Services	567,259				567,259
Administrative Information Technology	41,059				41,059
Plant Operations and Maintenance	3,811,118				3,811,118
Pupil Transportation	3,974,528				3,974,528
Unallocated Benefits	18,752,558				18,752,558

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 1,350,000	\$ 1,350,000
Interest and Other Charges				56,700	56,700
Capital Outlay	120,416		30,032		150,448
Total Expenditures	<u>53,579,890</u>	<u>\$ 1,362,454</u>	<u>30,032</u>	<u>1,406,700</u>	<u>56,379,076</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	69,696	(1,479)	(30,032)	(731)	37,454
Fund Balance/(Deficit)—July 1	<u>5,879,734</u>	<u>23,137</u>	<u>-0-</u>	<u>731</u>	<u>5,903,602</u>
Fund Balance/(Deficit)—June 30	<u>\$ 5,949,430</u>	<u>\$ 21,658</u>	<u>\$ (30,032)</u>	<u>\$ -0-</u>	<u>\$ 5,941,056</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 37,454
Total Net Change in Fund Balances - Internal Service Funds prior to depreciation expense (from B-5)	239,686

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

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

Capital Outlays	\$ 75,244
Depreciation and Adjustments	<u>(1,893,038)</u>

(1,817,794)

(345,935)

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

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

(12,571)

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

(90,636)

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

66,120

WASHINGTON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

\$(2,144,120)
548,243
3,518,845

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

1,768,356

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

\$ 1,767,648

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 278,570	
Accounts Receivable:		
State	435	
Federal	7,079	
Other Receivables		\$ 26,619
Inventories	17,187	
Total Current Assets	303,271	26,619
Non-Current Assets:		
Capital Assets	404,588	5,965,335
Less: Accumulated Depreciation	(371,865)	(3,950,776)
Total Non-Current Assets	32,723	2,014,559
Total Assets	335,994	2,041,178
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors	37,235	6,991
Interfund Payable - General Fund		344,147
Unearned Revenue	32,972	
Total Current Liabilities	70,207	351,138
Long Term Liabilities:		
Financed Purchases Payable:		
Due Within One Year		338,070
Due Beyond One Year		324,601
Total Long-Term Liabilities		662,671
Total Liabilities	70,207	1,013,809
<u>NET POSITION:</u>		
Net Investment in Capital Assets	32,723	1,351,888
Unrestricted/(Deficit)	233,064	(324,519)
Total Net Position	\$ 265,787	\$ 1,027,369

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Fund <u>Food Service</u>	Governmental Activities - Internal Service Fund <u>Service Fund</u>
Operating Revenue:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$ 445,378	
Daily Sales - Non-Reimbursable Programs	4,778	
Charges and Fees		\$ 5,042,423
Total Operating Revenue	<u>450,156</u>	<u>5,042,423</u>
Operating Expenses:		
Cost of Sales - Non-Reimbursable Programs	6,225	
Cost of Sales - Reimbursable Programs	206,768	
Salaries, Benefits and Payroll Taxes	247,663	3,667,927
Professional and Technical Services	98,969	145,030
Supplies and Repairs	62,204	8,729
Depreciation Expense	6,349	381,424
Maintenance		966,121
Total Operating Expenses	<u>628,178</u>	<u>5,169,231</u>
Operating Income/(Loss)	<u>(178,022)</u>	<u>(126,808)</u>
Non-Operating Revenue/(Expense):		
Interest Expense on Financed Purchases		(14,930)
State Sources:		
State School Lunch Program	6,674	
Federal Sources:		
Local Food for Schools Funding	4,121	
Supply Chain Additional Funding	99,475	
Federal School Lunch Program	107,565	
Food Distribution Program	33,039	
Total Non-Operating Revenue/(Expense)	<u>250,874</u>	<u>(14,930)</u>
Change in Net Position	72,852	(141,738)
Net Position/(Deficit) - Beginning of Year (Restated)	<u>192,935</u>	<u>1,169,107</u>
Net Position - End of Year	<u>\$ 265,787</u>	<u>\$ 1,027,369</u>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Business-type Activities - Enterprise Fund Food Service</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 439,407	\$ 5,058,203
Payments to Food Service Vendor	(517,633)	
Payments to Suppliers	<u>(33,922)</u>	<u>(4,697,338)</u>
Net Cash Provided by / (Used for) Operating Activities	<u>(112,148)</u>	<u>360,865</u>
Cash Flows from Capital Financing Activities:		
Capital Assets Purchases	(25,448)	(7,865)
Interest Expense on Financed Purchases		(14,930)
Financed Purchase Principal Payments		<u>(338,070)</u>
Net Cash (Used for) Capital Financing Activities	<u>(25,448)</u>	<u>(360,865)</u>
Cash Flows from Noncapital Financing Activities:		
Cash Received from Federal and State Sources	<u>268,707</u>	
Net Cash Provided by Noncapital Financing Activities	<u>268,707</u>	
Net Increase in Cash and Cash Equivalents	131,111	-0-
Cash and Cash Equivalents, July 1	<u>147,459</u>	<u>-0-</u>
Cash and Cash Equivalents, June 30	<u>\$ 278,570</u>	<u>\$ -0-</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss):	\$ (178,022)	\$ (126,808)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Depreciation	6,349	381,424
Federal Food Distribution Program	33,039	
Changes in Assets and Liabilities:		
(Increase)/Decrease in Inventory	(3,244)	
(Increase)/Decrease in Accounts Receivable		15,780
Increase/(Decrease) in Accounts Payable	37,235	(4,603)
Increase/(Decrease) in Unearned Revenue	(7,505)	
Increase/(Decrease) in Interfund Payable		<u>95,072</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (112,148)</u>	<u>\$ 360,865</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Fund received USDA donated commodities valued at \$34,544 and used commodities valued at \$33,039 during the fiscal year.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary funds:

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

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

C. Measurement Focus and Basis of Accounting

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 53,554,095	\$ 1,449,939
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis differs from GAAP in that Budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not.		(130,264)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes		41,300
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	494,634	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(399,143)	
Total Revenue as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 53,649,586	\$ 1,360,975
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule		
Differences - Budgetary to GAAP:		
Budgetary Comparison Schedule	\$ 53,579,890	\$ 1,451,418
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.		(130,264)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 53,579,890	\$ 1,321,154

E. Cash and Cash Equivalents, and Investments:

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the proprietary funds represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

K. Capital Assets:

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

L. Lease Assets

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

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

O. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2023.

P. Compensated Absences:

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Q. Leases Payable

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

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue:

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

T. Fund Balance Appropriated:

General Fund: Of the \$5,949,430 General Fund fund balance at June 30, 2023, \$269,429 is assigned for encumbrances; \$200,200 is restricted in the emergency reserve account; \$1,324,825 is restricted in the capital reserve account; \$200,000 is restricted in the maintenance reserve account; \$765,610 is restricted for unemployment compensation; \$1,600,000 has been assigned and designated as anticipated revenue for the fiscal year ending June 30, 2024; and \$1,589,366 is unassigned, which is \$399,143 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2024.

Special Revenue Fund: Special Revenue Fund fund balance at June 30, 2023 of \$21,658 is restricted for student activities.

Capital Projects Fund: Capital Projects Fund fund balance at June 30, 2023 of \$(30,032) is unassigned.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701) the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District did not have excess surplus at June 30, 2023.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$399,143 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

U. Deficit Net Position:

The District had a deficit in the Capital Projects Fund unassigned fund balance. The referendum bonds were issued in the subsequent year to cover this deficit. The District also has a deficit in unrestricted net position in the internal service transportation fund. This was primarily the result of operating expenses exceeding operating revenues caused by depreciation expense. The District is reviewing the transportation fund to ensure that further deficits do not occur in the future.

The District had a deficit in unrestricted net position of \$9,730,362 in governmental activities. The deficit in unrestricted governmental activities net position is primarily due to the net pension liability and related deferred inflows and outflows, and compensated absences payable offset by the committed, assigned and unassigned governmental fund balances at June 30, 2023. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows and inflows of resources at June 30, 2023 related to pensions, and the District had deferred outflows of resources at June 30, 2023 for the deferred amount on the refunding of school bonds.

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

W. Fund Balance Restrictions, Commitments and Assignments:

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had committed resources at June 30, 2023.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2023.

X. Revenue - Exchange and Nonexchange Transactions:

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

X. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Investments: (Cont'd)

- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 2,849,199	\$ 2,512,293	\$ 5,361,492

During the period ended June 30, 2023, the District did not hold any investments. The carrying amount of cash and cash equivalents at June 30, 2023 was \$5,361,492. The bank balance was \$5,926,173.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$ 1,024,325
Plus: Interest	500
Plus: Deposit per Board Resolution	300,000
Ending Balance, June 30, 2023	\$ 1,324,825

The June 30, 2023 LRFP balance of local support costs of uncompleted capital projects at June 30, 2023 is equal to or greater than \$1,324,825. Withdrawals, if any, from the Capital Reserve Account are for use in the DOE approved facilities projects, consistent with the District's LRFP

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 5. EMERGENCY RESERVE ACCOUNT

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

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

The activity of the Emergency Reserve Account for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	200,100
Plus: Interest		100
Ending Balance, June 30, 2023	\$	200,200

NOTE 6. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$200,000 was established by Board resolution on June 20, 2023. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year’s budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District’s school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year’s budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 6. MAINTENANCE RESERVE ACCOUNT (Cont'd)

The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	-0-
Plus: Deposit per Board Resolution		200,000
Ending Balance, June 30, 2023	\$	200,000

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred \$217,202 to the capital outlay accounts for purchases of equipment, which did not require County Superintendent approval.

NOTE 8: CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Adjustments/</u> <u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,024,701			\$ 1,024,701
Construction in Progress	462,731		\$ (398,558)	64,173
Total Capital Assets Not Being Depreciated	1,487,432		(398,558)	1,088,874
Capital Assets Being Depreciated:				
Site Improvements	1,719,020			1,719,020
Buildings and Building Improvements	61,801,598			61,801,598
Machinery and Equipment	7,637,596	\$ 75,244	169,773	7,882,613
Total Capital Assets Being Depreciated	71,158,214	75,244	169,773	71,403,231
Governmental Activities Capital Assets	72,645,646	75,244	(228,785)	72,492,105
Less Accumulated Depreciation for:				
Site Improvements	(1,719,020)			(1,719,020)
Buildings and Building Improvements	(24,119,207)			(24,119,207)
Machinery and Equipment	(5,277,348)	(1,893,038)	228,785	(6,941,601)
	(31,115,575)	(1,893,038)	228,785	(32,779,828)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 41,530,071	\$ (1,817,794)	\$ -0-	\$ 39,712,277

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Deletions</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 379,140	\$ 25,448		\$ 404,588
Less: Accumulated Depreciation	<u>(365,516)</u>	<u>(6,349)</u>		<u>(371,865)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 13,624</u>	<u>\$ 19,099</u>	<u>\$ -0-</u>	<u>\$ 32,723</u>

The District expended \$75,244 for improvements and equipment from the General Fund capital outlay accounts during the fiscal year. As of June 30, 2023, the District was done completing a capital project at the Old Farmers Road School which was completed in fall of 2022.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 146,710
Student and Instruction Related Services	889,728
Operations and Maintenance of Plant	132,513
General Administration	37,861
Transportation	<u>686,226</u>
	<u>\$ 1,893,038</u>

NOTE 9. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	<u>Balance 6/30/2022</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance 6/30/2023</u>
Serial Bonds Payable	\$ 2,565,000		\$ 1,350,000	\$ 1,215,000
Compensated Absences Payable	2,085,753	\$ 176,263	163,692	2,098,324
Unamortized Bond Issuance Premium	132,240		66,120	66,120
Net Pension Liability	6,989,884	2,144,120		9,134,004
Financed Purchases Payable	<u>1,162,106</u>		<u>418,356</u>	<u>743,750</u>
	<u>\$ 12,934,983</u>	<u>\$ 2,320,383</u>	<u>\$ 1,998,168</u>	<u>\$ 13,257,198</u>

A. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$66,120.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. GENERAL LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2023 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding of 2003 Bonds	7/15/2023	3.00%	\$ 1,215,000

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 1,215,000</u>	<u>\$ 18,225</u>	<u>\$ 1,233,225</u>

The District passed a bond referendum on March 14, 2023 authorizing debt in the amount of \$28,809,494 which was not issued as of June 30, 2023.

C. Financed Purchases Payable:

As of June 30, 2023, the Board has financed purchase agreements for the acquisition of vehicles and Chromebooks with a total asset value of \$1,962,356 of which \$1,218,606 has been liquidated. The finance purchase agreement terms are for five years for buses. The District also has a finance purchase agreement for the acquisition of Chromebooks and iPads with terms for three years for technology. The following is a schedule of the future minimum finance purchase payments under the finance purchase agreements, and the present value of the net minimum financed purchase payments at June 30, 2023.

<u>Year</u>	<u>Amount</u>
2024	\$ 347,522
2025	265,642
2026	<u>146,265</u>
Total Minimum Financed Purchased Payments	759,429
Less: Amount representing interest	<u>(15,679)</u>
Present value of net minimum payments	<u>\$ 743,750</u>

The current portion of the finance purchase payable at June 30, 2023 is \$338,124 and the long-term portion is \$405,626. Financed purchases payable will be liquidated through the internal service fund for buses and the general fund for technology.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 9. GENERAL LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$-0- and is separated from the long-term portion of compensated absences of \$2,098,324. 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, 2023, no liability existed for compensated absences in the Food Service Fund.

Compensated absences will be liquidated from the General Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2022 is \$-0- and the long-term portion is \$9,134,004. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

District contributions to PERS amounted to \$763,245 for fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$19,218 to the PERS for normal pension benefits on behalf of the District.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

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

At June 30, 2023, the District reported a liability of \$9,134,004 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0607%, which was an increase of 0.002% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$1,159,461 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$19,218 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ (219,563)
	2019	5.21		(274,381)
	2020	5.16		(806,828)
	2021	5.13		(66,950)
	2022	5.04	\$ 28,300	
				<u>28,300</u>
Changes in Proportion	2018	5.63		(82,619)
	2019	5.21		(266,474)
	2020	5.16		(304,785)
	2021	5.13		(226,698)
	2022	5.04	231,884	
				<u>231,884</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	9,036	
	2020	5.00	271,525	
	2021	5.00	(1,693,599)	
	2022	5.00	1,791,086	
			<u>378,048</u>	
Difference Between Expected and Actual Experience	2018	5.63		(8,362)
	2019	5.21	20,974	
	2020	5.16	44,951	
	2021	5.13		(22,506)
	2022	5.04		(27,269)
				<u>65,925</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	590,599	
			<u>\$ 1,294,756</u>	<u>\$ (2,306,435)</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (783,507)
2024	(399,170)
2025	(194,667)
2026	424,691
2027	(933)
	\$ (953,586)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2011.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 11,734,520	\$ 9,134,004	\$ 6,920,861

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

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

Benefits Provided

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$6,928,760 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,350,551.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$87,339,559. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.1692%, which was a decrease of 0.005% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		87,339,541
Total	\$	87,339,541

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

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$2,350,551 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	
			<u>3,013,097,864</u>	<u>19,441,140,477</u>
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83		18,009,041
			<u>699,820,974</u>	<u>122,664,916</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			<u>1,172,371,073</u>	
			<u>\$ 4,885,289,911</u>	<u>\$ 19,563,805,393</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Management Strategies	3.00%	4.91%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 102,407,467	\$ 87,339,541	\$ 74,646,706

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$39,783 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$101,219 for the year ended June 30, 2023.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT

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

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

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

The 2023 financial information for the group was not available as of the release of this audit. Selected summarized financial information for the Group as of June 30, 2022 is as follows:

Total Assets	<u>\$ 12,133,641</u>
Net Postion	<u>\$ 7,494,542</u>
Total Revenue	<u>\$ 3,715,390</u>
Total Expenses	<u>\$ 3,715,752</u>
Change in Net Position	<u>\$ (1,115,092)</u>
Member Dividends	<u>\$ (1,114,730)</u>

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$ -0-	\$ -0-	\$ 49,156	\$ 30,502	\$ 765,610
2021-2022	-0-	-0-	45,971	88	746,956
2020-2021	-0-	-0-	42,222	15,308	661,584

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. INTERFUNDS PAYABLES, RECEIVABLES, AND TRANSFERS

The District had the following interfunds payable or receivable on their various balance sheets as of June 30, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 379,791	
Special Revenue Fund		\$ 5,612
Capital Projects Fund		30,032
Internal Service Fund		344,147
	<u>\$ 379,791</u>	<u>\$ 379,791</u>

The interfund between the General Fund and the Special Revenue, Capital Projects and Internal Service Funds were for cash advanced to cover the cash deficits which existed in those funds at year end.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 14. DEFERRED COMPENSATION

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

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

NOTE 15. TAX CALENDAR

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

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

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2023, there were encumbrances as detailed below in the governmental funds and proprietary funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	<u>Total Governmental Funds</u>
Vendors	\$ 269,429	\$ 130,264	\$ 3,209,054	\$ 3,608,747

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Encumbrances (Cont'd)

On the District's Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$130,264 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2023 were as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>District Contribution Subsequent to the Measurement Date</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>	<u>Business Type Activities</u>
Vendors	\$111,000	\$ 230		\$ 6,991	\$ 118,221	\$ 37,235
Payroll Deductions and Withholdings	249,863				249,863	
State of New Jersey			\$ 590,599		590,599	
	<u>\$360,863</u>	<u>\$ 230</u>	<u>\$ 590,599</u>	<u>\$ 6,991</u>	<u>\$ 958,683</u>	<u>\$ 37,235</u>

NOTE 18. OTHER ACCOUNTS RECEIVABLE

Other accounts receivable as of June 30, 2023 were as follows:

	<u>General Fund</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>
Other Receivables	\$ 4,934		\$ 4,934
Transportation Services		\$ 26,619	26,619
	<u>\$ 4,934</u>	<u>\$ 26,619</u>	<u>\$ 31,553</u>

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Actuarial Assumptions and Other Inputs

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

Mortality Rates

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 110,225,826
Changes for Year:	
Service Cost	4,121,536
Interest Cost	2,465,596
Differences between Expected and Actual Experience	3,546,580
Changes in Assumptions	(24,958,143)
Member Contributions	78,348
Gross Benefit Payments	(2,442,246)
Net Changes	(17,188,329)
Balance at June 30, 2022	\$ 93,037,497

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 109,355,791	\$ 93,037,497	\$ 79,959,200

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 76,901,178	\$ 93,037,497	\$ 114,233,532

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

For the fiscal year ended June 30, 2023 the District recognized OPEB expense of \$1,478,928 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

At June 30, 2022 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (4,830,606)
	2018	9.51		(4,609,773)
	2019	9.29	650,830	
	2020	9.24	15,366,391	
	2021	9.24	85,214	
	2022	9.13		(22,224,502)
			16,102,435	(31,664,881)
Differences Between Expected and Actual Experience	2018	9.51		(4,357,670)
	2019	9.29		(7,660,308)
	2020	9.24	14,322,079	
	2021	9.24		(16,387,445)
	2022	9.13	2,288,805	
			16,610,884	(28,405,423)
Changes in Proportion	N/A	N/A	7,902	(2,494,884)
			\$ 32,721,221	\$ (62,565,188)

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

Fiscal Year Ending June 30,	Total
2023	\$ (4,624,005)
2024	(4,624,005)
2025	(4,624,005)
2026	(3,996,299)
2027	(2,285,137)
Thereafter	(7,203,534)
	\$ (27,356,985)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

NOTE 20. SUBSEQUENT EVENT

The voters of the District approved a \$28,809,494 bond referendum on March 14, 2023 to provide various school improvements throughout the District. The District also sold \$28,809,000 of serial bonds dated August 17, 2023. The bonds will begin maturing starting August 15, 2024 with an interest rate range of 3.00% - 4.00%.

NOTE 21. PRIOR PERIOD ADJUSTMENT

The District made a prior year adjustment in the financial statements to record an adjustment to fixed assets in the Transportation Fund that was not included in the June 30, 2022 financial statements:

	<u>Balance</u> <u>June 30, 2022</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2022</u> <u>as Restated</u>
<u>Statement of Revenues, Expenditures and Changes in</u>			
<u>Net Position - Proprietary Funds:</u>			
Governmental Activities - Internal Service Fund			
Net Position/(Deficit) - Beginning of the Year	\$ 1,233,280	\$ (64,173)	\$ 1,169,107
 <u>Statement of Revenue, Expenses and Changes in Net Position -</u>			
<u>Fiduciary Transportation Fund:</u>			
Net Position/(Deficit) - Beginning of the Year	\$ 1,233,280	\$ (64,173)	\$ 1,169,107

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability	0.0708566496%	0.0712462883%	0.0717948283%	0.0722803232%	0.0690067284%	0.0639413513%	0.0607073692%	0.0590037936%	0.0605246578%
District's proportionate share of the net pension liability	\$ 13,266,303	\$ 15,993,364	\$ 21,263,569	\$ 16,825,704	\$ 10,790,165	\$ 11,521,261	\$ 9,899,784	\$ 6,989,884	\$ 9,134,004
District's covered employee payroll	\$ 4,881,865	\$ 4,881,865	\$ 4,735,500	\$ 4,653,741	\$ 4,841,226	\$ 4,513,560	\$ 4,438,576	\$ 4,335,841	\$ 4,441,367
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	271.75%	327.61%	449.02%	361.55%	222.88%	255.26%	223.04%	161.21%	205.66%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 477,117	\$ 504,167	\$ 637,815	\$ 669,600	\$ 686,394	\$ 498,768	\$ 498,558	\$ 515,879	\$ 557,169
Contributions in relation to the contractually required contribution	(477,117)	(504,167)	(637,815)	(669,600)	(686,394)	(498,768)	(498,558)	(515,879)	(557,169)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 4,881,865	\$ 4,735,500	\$ 4,653,741	\$ 4,841,226	\$ 4,513,560	\$ 4,438,576	\$ 4,335,841	\$ 4,441,367	\$ 4,295,351
Contributions as a percentage of covered employee payroll	9.77%	10.65%	13.71%	13.83%	15.21%	11.24%	11.50%	11.62%	12.97%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
State's proportion of the net pension liability attributable to the District	0.181799816%	0.177987580%	0.179466823%	0.173585978%	0.180402624%	0.180399504%	0.175813753%	0.174245103%	0.169280996%
State's proportionate share of the net pension liability attributable to the District	\$ 97,166,085	\$ 112,495,751	\$ 141,179,987	\$ 117,037,926	\$ 114,768,274	\$ 110,712,878	\$ 115,771,241	\$ 83,768,662	\$ 87,339,541
District's covered employee payroll	\$ 18,101,307	\$ 18,101,307	\$ 17,501,370	\$ 18,141,947	\$ 18,974,959	\$ 18,456,800	\$ 19,108,189	\$ 19,255,715	\$ 19,688,207
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	536.79%	621.48%	806.68%	645.12%	604.84%	599.85%	605.87%	435.03%	443.61%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%

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

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

	Fiscal Year Ending June 30,								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 5,228,448	\$ 6,868,878	\$ 10,607,712	\$ 10,607,712	\$ 6,690,589	\$ 6,530,141	\$ 7,199,149	\$ 1,971,113	\$ 2,350,551
Contributions in relation to the contractually required contribution	(926,266)	(1,436,881)	(1,884,230)	(2,656,694)	(3,548,023)	(3,925,388)	(5,065,094)	(6,968,716)	(6,928,760)
Contribution deficiency/(excess)	\$ 4,302,182	\$ 5,431,997	\$ 8,723,482	\$ 7,951,018	\$ 3,142,566	\$ 2,604,753	\$ 2,134,055	\$ (4,997,603)	\$ (4,578,209)
District's covered employee payroll	\$ 18,101,307	\$ 17,501,370	\$ 18,141,947	\$ 18,974,959	\$ 18,456,800	\$ 19,108,189	\$ 19,255,715	\$ 19,688,207	\$ 20,373,464
Contributions as a percentage of covered employee payroll	5.12%	8.21%	10.39%	14.00%	19.22%	20.54%	26.30%	35.40%	34.01%

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

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

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 3,823,165	\$ 3,186,988	\$ 2,725,133	\$ 2,835,315	\$ 4,949,377	\$ 4,121,536
Interest Cost	3,228,815	3,742,083	3,416,409	2,767,339	2,859,374	2,465,596
Change of Benefit Terms					(117,322)	
Differences between Expected and Actual Experience		(10,497,975)	(14,412,115)	21,042,494	(19,966,058)	3,546,580
Changes in Assumptions	(12,920,089)	(9,948,585)	1,152,161	22,754,840	108,746	(24,958,143)
Member Contributions	87,378	80,120	70,315	65,733	73,100	78,348
Gross Benefit Payments	(2,372,952)	(2,318,170)	(2,372,080)	(2,168,678)	(2,252,386)	(2,442,246)
Net Change in Total OPEB Liability	(8,153,683)	(15,755,539)	(9,420,177)	47,297,043	(14,345,169)	(17,188,329)
Total OPEB Liability - Beginning	110,603,351	102,449,668	86,694,129	77,273,952	124,570,995	\$ 110,225,826
Total OPEB Liability - Ending	\$ 102,449,668	\$ 86,694,129	\$ 77,273,952	\$ 124,570,995	\$ 110,225,826	\$ 93,037,497
District's Covered Employee Payroll *	\$ 22,795,688	\$ 23,816,185	\$ 22,970,360	\$ 23,546,765	\$ 23,591,556	\$ 24,129,574
Total OPEB Liability as a Percentage of Covered Employee Payroll	449%	364%	336%	529%	467%	386%

* - Covered payroll for the fiscal years ending June 30, 2017 to 2022 are based on the payroll on the June 30, 2016 to 2021 census data.

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

The mortality rates in the valuation as of June 30, 2022 were based on the following:

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

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

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

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

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

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 37,181,355		\$ 37,181,355	\$ 37,181,355	
Tuition from Individuals	160,000		160,000	161,869	\$ 1,869
Interest on Investments - Emergency Reserve	100		100	100	
Interest on Investments - Capital Reserve	100		100	500	400
Restricted Miscellaneous				18,654	18,654
Unrestricted Miscellaneous	171,800		171,800	518,546	346,746
Total - Local Sources	37,513,355		37,513,355	37,881,024	367,669
State Sources:					
Categorical Special Education Aid	1,591,751		1,591,751	1,591,751	
Categorical Transportation Aid	457,507		457,507	457,507	
Equalization Aid	1,927,075		1,927,075	1,927,075	
Categorical Security Aid	176,840		176,840	176,840	
Extraordinary Aid				852,739	852,739
Stabilization Aid				308,550	308,550
NonPublic Transportation Aid				14,465	14,465
Lead Testing Reimbursement				4,544	4,544
On-Behalf TPAF Pension Contributions (Non-Budgeted)				6,928,760	6,928,760
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				96,129	96,129
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				1,845,421	1,845,421
On-Behalf TPAF Long-Term Disability Insurance (Non-Budgeted)				2,257	2,257
TPAF Social Security (Reimbursed - Non-Budgeted)				1,444,920	1,444,920
Total State Sources	4,153,173		4,153,173	15,650,958	11,497,785
Federal Sources:					
Medicaid Reimbursement	13,010		13,010	21,718	8,708
FFCRA/SEMI Revenue				395	395
Total Federal Sources	13,010		13,010	22,113	9,103
TOTAL REVENUES	41,679,538		41,679,538	53,554,095	11,874,557

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Pre K - Salaries of Teachers	\$ 133,870	\$ 1,265	\$ 135,135	\$ 135,135	
Kindergarten - Salaries of Teachers	899,110	(29,000)	870,110	869,322	\$ 788
Grades 1-5 - Salaries of Teachers	5,876,395	98,090	5,974,485	5,974,426	59
Grades 6-8 - Salaries of Teachers	4,595,784	(20,525)	4,575,259	4,571,663	3,596
Regular Programs - Home Instruction:					
Salaries of Teachers	10,000	(7,300)	2,700	2,608	92
Other Purchased Services	25,500	(10,000)	15,500	14,628	872
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	213,360	(89,999)	123,361	122,358	1,003
Other Purchased Services (400-500 series)	545,357	69,460	614,817	614,481	336
General Supplies	497,376	(44,782)	452,594	432,885	19,709
Total Regular Programs - Instruction	12,796,752	(32,791)	12,763,961	12,737,506	26,455
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	709,660	47,673	757,333	757,331	2
Other Salaries for Instruction	132,830	41,889	174,719	174,363	356
General Supplies	2,679		2,679	1,543	1,136
Total Learning and/or Language Disabilities	845,169	89,562	934,731	933,237	1,494
Behavioral Disabilities:					
Salaries of Teachers	215,630	87,005	302,635	302,635	
Other Salaries for Instruction	97,098	(12,000)	85,098	85,089	9
General Supplies	2,200		2,200	758	1,442
Total Behavioral Disabilities	314,928	75,005	389,933	388,482	1,451

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 79,485	\$ (79,485)			
Other Salaries for Instruction	20,000	(20,000)			
General Supplies	500		\$ 500		\$ 500
Total Multiple Disabilities	99,985	(99,485)	500		500
Resource Room/Resource Center:					
Salaries of Teachers	3,130,030	(110,300)	3,019,730	\$ 3,019,696	34
Other Salaries for Instruction	619,397	(22,225)	597,172	597,163	9
General Supplies	20,521	(7,520)	13,001	10,928	2,073
Total Resource Room/Resource Center	3,769,948	(140,045)	3,629,903	3,627,787	2,116
Preschool Handicapped - Part-time:					
Salaries of Teachers	231,408	(5,769)	225,639	225,637	2
Other Salaries for Instruction	35,705	15,890	51,595	50,914	681
General Supplies	2,350	(110)	2,240		2,240
Total Preschool Handicapped - Part-time	269,463	10,011	279,474	276,551	2,923
Total Special Education Instruction	5,299,493	(64,952)	5,234,541	5,226,057	8,484
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	938,281	4,033	942,314	941,482	832
General Supplies	2,150		2,150	703	1,447
Total Basic Skills/Remedial - Instruction	940,431	4,033	944,464	942,185	2,279
Bilingual Education - Instruction:					
Salaries of Teachers	260,635	(15,000)	245,635	245,147	488
General Supplies	1,225		1,225	53	1,172
Total Bilingual Education - Instruction	261,860	(15,000)	246,860	245,200	1,660

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 113,529	\$ (7,000)	\$ 106,529	\$ 106,033	\$ 496
Purchased Services	3,000		3,000	2,348	652
Supplies and Materials	1,820		1,820	463	1,357
Total School-Sponsored Cocurricular Activities - Instruction	118,349	(7,000)	111,349	108,844	2,505
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	50,090	(326)	49,764	49,510	254
Other Purchased Services	6,279	326	6,605	6,494	111
Supplies and Materials	3,282	3,600	6,882	6,816	66
Total School-Sponsored Cocurricular Athletics - Instruction	59,651	3,600	63,251	62,820	431
Total Instruction	19,476,536	(112,110)	19,364,426	19,322,612	41,814
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular		25,958	25,958	25,955	3
Tuition to Other LEAs Within the State - Special	53,368	847	54,215	54,170	45
Tuition to Private Schools for the Handicapped - Within State	34,933	38,800	73,733	73,709	24
Total Undistributed Expenditures - Instruction	88,301	65,605	153,906	153,834	72
Attendance & Social Work Services:					
Salaries	4,919	(143)	4,776	4,776	
Total Attendance & Social Work Services	4,919	(143)	4,776	4,776	
Health Services:					
Salaries	500,725	(5,422)	495,303	495,302	1
Purchased Professional and Technical Services	15,000	(4,000)	11,000	10,051	949
Other Purchased Services	1,000		1,000	903	97
Supplies and Materials	27,758	(6,341)	21,417	18,117	3,300
Total Health Services	544,483	(15,763)	528,720	524,373	4,347

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Speech, OT, PT and Related Services:					
Salaries of Other Professional Staff	\$ 580,855	\$ (36,900)	\$ 543,955	\$ 543,880	\$ 75
Purchased Professional - Educational Services	702,156	(160,989)	541,167	531,270	9,897
Supplies and Materials	1,260		1,260	1,070	190
Total Speech, OT, PT and Related Services	1,284,271	(197,889)	1,086,382	1,076,220	10,162
Other Support Services - Students - Extraordinary Services:					
Salaries	373,883	267,136	641,019	641,011	8
Purchased Professional - Educational Services	264,419	(73,554)	190,865	190,865	
Supplies and Materials	3,000	8,900	11,900	6,056	5,844
Total Other Support Services - Students - Extraordinary Services	641,302	202,482	843,784	837,932	5,852
Guidance:					
Salaries of Other Professional Staff	481,816	(17,450)	464,366	464,213	153
Salaries of Secretarial and Clerical Assistants	160,937	(110,011)	50,926	50,624	302
Supplies and Materials	2,913		2,913	1,579	1,334
Total Guidance	645,666	(127,461)	518,205	516,416	1,789
Child Study Team:					
Salaries of Other Professional Staff	1,092,195	(33,800)	1,058,395	1,058,341	54
Salaries of Secretarial and Clerical Assistants	97,898	(1,300)	96,598	96,598	
Other Purchased Professional and Technical Services	21,000	29,455	50,455	46,457	3,998
Miscellaneous Purchased Services	4,908	(420)	4,488	3,387	1,101
Supplies and Materials	3,861	640	4,501	4,434	67
Total Child Study Team	1,219,862	(5,425)	1,214,437	1,209,217	5,220

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 214,864	\$ 3,150	\$ 218,014	\$ 217,986	\$ 28
Salaries of Other Professional Staff	17,112		17,112	16,928	184
Salaries of Secretarial and Clerical Assistants	59,123	26	59,149	59,149	
Total Improvement of Instructional Services	291,099	3,176	294,275	294,063	212
Educational Media Services/School Library:					
Salaries	372,076	(4,349)	367,727	367,285	442
Other Purchased Services	20,090		20,090	19,627	463
Supplies and Materials	30,710		30,710	28,368	2,342
Total Educational Media Services/School Library	422,876	(4,349)	418,527	415,280	3,247
Instructional Staff Training Services:					
Other Purchased Services	71,350	7,000	78,350	70,367	7,983
Total Instructional Staff Training Services	71,350	7,000	78,350	70,367	7,983
Support Services - General Administration:					
Salaries	291,600	1,700	293,300	293,275	25
Legal Services	40,000		40,000	39,051	949
Audit Fees	48,000	3,500	51,500	51,500	
Other Purchased Professional Services	11,700	(3,700)	8,000	3,981	4,019
Communications/Telephone	46,226	200	46,426	46,310	116
Other Purchased Services	97,160	600	97,760	97,680	80
General Supplies	5,380		5,380	5,109	271
BOE Meeting Supplies	800	(600)	200		200
Miscellaneous Expenditures	7,483	(25)	7,458	5,029	2,429
Board of Education Membership Dues and Fees	19,500		19,500	19,280	220
Total Support Services - General Administration	567,849	1,675	569,524	561,215	8,309

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 909,772	\$ (6,300)	\$ 903,472	\$ 903,432	\$ 40
Salaries of Secretarial and Clerical Assistants	419,858	(10,770)	409,088	408,754	334
Other Purchased Services	1,475		1,475	659	816
Supplies and Materials	9,205	(2,000)	7,205	5,047	2,158
Other Objects	7,930	825	8,755	8,755	
Total Support Services - School Administration	1,348,240	(18,245)	1,329,995	1,326,647	3,348
Central Services:					
Salaries	512,580	1,800	514,380	514,337	43
Other Purchased Professional Services	50,023	(1,804)	48,219	45,686	2,533
Supplies and Materials	6,164		6,164	4,058	2,106
Miscellaneous Expenses	2,174	1,004	3,178	3,178	
Total Central Services	570,941	1,000	571,941	567,259	4,682
Administrative Information Technology:					
Other Purchased Professional Services	34,350	4,410	38,760	38,760	
Supplies and Materials	6,760	(4,410)	2,350	2,299	51
Total Administrative Information Technology	41,110		41,110	41,059	51
Required Maintenance of School Facilities:					
Salaries	133,961	(1,923)	132,038	132,038	
Lead Water Testing		1,000	1,000	975	25
Cleaning, Repair and Maintenance Services	266,507	229,002	495,509	394,132	101,377
General Supplies	90,605	(8,163)	82,442	81,567	875
Total Required Maintenance of School Facilities	491,073	219,916	710,989	608,712	102,277

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 1,688,025	\$ (105,230)	\$ 1,582,795	\$ 1,578,872	\$ 3,923
Purchased Professional and Technical Services	16,895	(3,400)	13,495	13,182	313
Cleaning, Repairs, and Maintenance Services	179,747	(31,720)	148,027	146,909	1,118
Other Purchased Services	264,580	(11,900)	252,680	252,616	64
Insurance	161,531	35,550	197,081	197,066	15
General Supplies	124,676	52,905	177,581	175,289	2,292
Energy - Natural Gas	249,900	41,760	291,660	291,386	274
Energy - Electricity	331,800	(2,600)	329,200	324,216	4,984
Energy - Oil	3,990	4,010	8,000	7,759	241
Total Custodial Services	3,021,144	(20,625)	3,000,519	2,987,295	13,224
Security					
Salaries	195,792	(1,522)	194,270	192,999	1,271
Purchased Professional and Technical Services	6,725	17,646	24,371	22,112	2,259
General Supplies	202,517	16,124	218,641	215,111	3,530
Total Security					
Student Transportation Services:					
Contracted Services:					
Between Home and School - Joint Agreements	3,381,367		3,381,367	3,381,367	
Regular Education Students CTSA's and ESCs	3,000	2,140	5,140	5,137	3
Special Education Students CTSA's and ESCs	251,530	297,950	549,480	549,479	1
Aid in Lieu Payments - Nonpublic	43,000	(3,956)	39,044	38,545	499
Total Student Transportation Services	3,678,897	296,134	3,975,031	3,974,528	503

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits:					
Social Security Contributions	\$ 535,000	\$ (38,823)	\$ 496,177	\$ 487,907	\$ 8,270
Other Retirement Contributions - PERS	531,355	25,900	557,255	557,169	86
Other Retirement Contributions - Regular	47,403	(4,500)	42,903	39,783	3,120
Workmen's Compensation	224,620	(8,000)	216,620	216,375	245
Health Benefits	7,069,406	(150,478)	6,918,928	6,917,475	1,453
Tuition Reimbursements	113,200	(51,312)	61,888	61,232	656
Other Employee Benefits	68,425	87,200	155,625	155,130	495
Total Unallocated Benefits	8,589,409	(140,013)	8,449,396	8,435,071	14,325
On-Behalf Contributions:					
TPAF Pension Contributions (Non-Budgeted)				6,928,760	(6,928,760)
TPAF Non-Contributory Insurance (Non-Budgeted)				96,129	(96,129)
TPAF Post Retirement Medical Benefits (Non-Budgeted)				1,845,421	(1,845,421)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,257	(2,257)
TPAF Social Security (Reimbursed - Non-Budgeted)				1,444,920	(1,444,920)
Total On-Behalf Contributions				10,317,487	(10,317,487)
Total Personal Services - Employee Benefits	8,589,409	(140,013)	8,449,396	18,752,558	(10,303,162)
Total Undistributed Expenses	23,725,309	283,199	24,008,508	34,136,862	(10,128,354)
TOTAL CURRENT EXPENSE	43,201,845	171,089	43,372,934	53,459,474	(10,086,540)
CAPITAL OUTLAY					
Undistributed Equipment:					
Instructional		179,672	179,672	47,413	132,259
Non-Instructional:					
Custodial Services		37,530	37,530	23,955	13,575
Total Equipment		217,202	217,202	71,368	145,834

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
CAPITAL OUTLAY (CONT'D)					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 20,000	\$ (10,400)	\$ 9,600	\$ 7,500	\$ 2,100
Other Objects - Debt Service Assessment on SDA Funding	41,548		41,548	41,548	
Total Facilities Acquisition and Construction Services	<u>61,548</u>	<u>(10,400)</u>	<u>51,148</u>	<u>49,048</u>	<u>2,100</u>
TOTAL CAPITAL OUTLAY	61,548	206,802	268,350	120,416	147,934
Transfer To Charter School	15,945	(15,945)			
TOTAL EXPENDITURES	43,279,338	361,946	43,641,284	53,579,890	(9,938,606)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,599,800)</u>	<u>(361,946)</u>	<u>(1,961,746)</u>	<u>(25,795)</u>	<u>1,935,951</u>
Fund Balance, July 1	6,374,368		6,374,368	6,374,368	
Fund Balance, June 30	<u>\$ 4,774,568</u>	<u>\$ (361,946)</u>	<u>\$ 4,412,622</u>	<u>\$ 6,348,573</u>	<u>\$ 1,935,951</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,324,825	
Emergency Reserve				200,200	
Maintenance Reserve				200,000	
Unemployment Compensation				765,610	
Assigned:					
For Subsequent Year's Expenditures				1,600,000	
Year-End Encumbrances				269,429	
Unassigned				1,988,509	
				<u>6,348,573</u>	
Reconciliation to Governmental Fund Statement (GAAP):					
Last Two State Aid Payments not Recognized on GAAP Basis				(399,143)	
Fund Balance per Governmental Funds GAAP				<u>\$ 5,949,430</u>	

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 1,419,919	\$ (378,135)	\$ 1,041,784	\$ 1,041,784	
State Sources	70,000	51,480	121,480	121,480	
Local Sources		288,154	288,154	286,675	\$ (1,479)
Total Revenues	1,489,919	(38,501)	1,451,418	1,449,939	(1,479)
EXPENDITURES:					
Instruction					
Salaries	220,649	797	221,446	221,446	
Other Purchased Services	575,496	(323)	575,173	575,173	
General Supplies	309,417	(13,800)	295,617	295,617	
Total Instruction	1,105,562	(13,326)	1,092,236	1,092,236	
Support Services					
Personal Service - Employee Benefits	16,155	445	16,600	16,600	
Salaries	672	94	766	766	
Purchased Professional/Technical Services	102,618	(25,759)	76,859	76,859	
Supplies and Materials	10,232	45	10,277	10,277	
Student Activities	254,680		254,680	254,680	
Total Support Services	384,357	(25,175)	359,182	359,182	
Total Expenditures	\$ 1,489,919	\$ (38,501)	\$ 1,451,418	\$ 1,451,418	\$ -0-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -0-	\$ -0-	\$ -0-	\$ (1,479)	\$ (1,479)

WASHINGTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule Differences - Budget to GAAP:	\$ 53,554,095	\$ 1,449,939
Grant Accounting Budgetary Basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and revenue, whereas the GAAP basis does not"		
Current Year Encumbrances		(130,264)
Prior Year Encumbrances		41,300
State Aid Payments Recognized for GAAP Statement, not Recognized for Budgetary Purposes	494,634	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(399,143)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 53,649,586	\$ 1,360,975
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule Differences - Budget to GAAP	\$ 53,579,890	\$ 1,451,418
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes.		(88,964)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 53,579,890	\$ 1,362,454

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Elementary and Secondary Education Act				IDEA, PART B	
	Title I	Title II A	Title III	Title IV	Preschool	Basic
REVENUE:						
Federal Sources	\$ 73,414	\$ 29,272	\$ 15,000	\$ 10,000	\$ 25,509	\$ 513,883
State Sources						
Local Sources						
Total Revenue	<u>73,414</u>	<u>29,272</u>	<u>15,000</u>	<u>10,000</u>	<u>25,509</u>	<u>513,883</u>
EXPENDITURES:						
Instruction:						
Salaries	24,416		5,446		22,250	
Other Purchased Services						500,343
General Supplies	34,475	4,902	6,104	10,000	1,557	6,000
Total Instruction	<u>58,891</u>	<u>4,902</u>	<u>11,550</u>	<u>10,000</u>	<u>23,807</u>	<u>506,343</u>
Support Services:						
Employee Benefits	1,741		234		1,702	
Salaries			766			
Purchased Professional/Technical Services	12,782	24,370	2,450			7,540
Supplies and Materials						
Student Activities						
Total Support Services	<u>14,523</u>	<u>24,370</u>	<u>3,450</u>		<u>1,702</u>	<u>7,540</u>
Total Expenditures	<u>\$ 73,414</u>	<u>\$ 29,272</u>	<u>\$ 15,000</u>	<u>\$ 10,000</u>	<u>\$ 25,509</u>	<u>\$ 513,883</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Education Stabilization Fund: COVID-19 American Rescue Plan					SDA Emergent Needs
	ARP- IDEA, PART B	Accelerated Learning Coach & Ed	Evidence Based, Summer Learning	Evidence Based, Beyond the School Day	NJTSS Mental Health	
REVENUE:						
Federal Sources	\$ 79,624	\$ 54,208	\$ 22,414	\$ 11,019	\$ 2,719	\$ 44,820
State Sources						
Local Sources						
Total Revenue	79,624	54,208	22,414	11,019	2,719	44,820
EXPENDITURES:						
Instruction:						
Salaries	74,830	20,838		10,252		44,820
Other Purchased Services	2,057	54,208				
General Supplies						
Total Instruction	76,887	54,208	20,838	10,252		44,820
Support Services:						
Employee Benefits		1,576		767		
Salaries					2,719	
Purchased Professional/Technical Services						
Supplies and Materials	2,737					
Student Activities						
Total Support Services	2,737	1,576	767	2,719		
Total Expenditures	\$ 79,624	\$ 54,208	\$ 22,414	\$ 11,019	\$ 2,719	\$ 44,820

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP Non-Title I Formula	CRRSA ESSER II	Climate Awareness Education	Local Recreational Improvement	Local Grants	Student Activity	Totals
REVENUE:							
Federal Sources	\$ 162,810	\$ 41,912	\$ 6,660	\$ 70,000	\$ 33,474	\$ 253,201	\$ 1,041,784
State Sources							121,480
Local Sources							286,675
Total Revenue	162,810	41,912	6,660	70,000	33,474	253,201	1,449,939
EXPENDITURES:							
Instruction:							
Salaries	138,244						221,446
Other Purchased Services		7,374	6,660	70,000	33,474		575,173
General Supplies	13,986						295,617
Total Instruction	152,230	7,374	6,660	70,000	33,474		1,092,236
Support Services:							
Employee Benefits	10,580						16,600
Salaries							766
Purchased Professional/Technical Services		34,538					76,859
Supplies and Materials							10,277
Student Activities						254,680	254,680
Total Support Services	10,580	34,538				254,680	359,182
Total Expenditures	\$ 162,810	\$ 41,912	\$ 6,660	\$ 70,000	\$ 33,474	\$ 254,680	\$ 1,451,418

CAPITAL PROJECTS FUND

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Expenditures:	
Other Objects	\$ 30,032
Total Expenditures	<u>30,032</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	(30,032)
Fund Balance/(Deficit) - Beginning of Year	<u>-0-</u>
Fund Balance/(Deficit) - End of Year	<u>\$ (30,032)</u>
Recapitulation:	
Restricted Encumbrances	\$ 3,209,054
Unassigned/(Deficit)	<u>(3,239,086)</u>
Total Fund Balance/(Deficit)	<u>(30,032)</u>
Fund Balance/(Deficit) GAAP Basis	<u>\$ (30,032)</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
REFERENDUM FOR VARIOUS SCHOOL IMPROVEMENTS - ALL SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Current Year	Totals	Authorized Cost
Revenue and Other Financing Sources:			
Bond Proceeds			\$ 28,809,494
Total Revenue and Other Financing Sources			28,809,494
Expenditures:			
Purchased Professional and Technical Svcs			3,151,800
Construction Services			24,565,090
Other Objects	\$ 30,032	\$ 30,032	1,092,604
Total Expenditures	30,032	30,032	28,809,494
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ (30,032)	\$ (30,032)	\$ -0-

Additional Project Information:

Bonds Authorized Date	3/14/2023
Bonds Authorized	\$ 28,809,494
Bonds Issued	\$ -0-
Original Authorized Cost	\$ 28,809,494
Percentage Change over	
Original Authorized Cost	0.00%
Percentage Completion	0.10%
Original Target Completion Date	9/1/2025

PROPRIETARY FUNDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$ 278,570
Accounts Receivable:	
State	435
Federal	7,079
Inventories	17,187

Total Current Assets	<u>303,271</u>
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Non-Current Assets:

Capital Assets	404,588
Less: Accumulated Depreciation	<u>(371,865)</u>

Total Non-Current Assets	<u>32,723</u>
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Total Assets	<u>335,994</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable - Vendors	37,235
Unearned Revenue	<u>32,972</u>

Total Current Liabilities	<u>70,207</u>
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NET POSITION:

Investment in Capital Assets	32,723
Unrestricted	<u>233,064</u>

Total Net Position	<u>\$ 265,787</u>
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WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 445,378
Daily Sales - Non-Reimbursable Programs	4,778
	<hr/>
Total Operating Revenue	450,156
	<hr/>
Operating Expenses:	
Cost of Sales - Non-Reimbursable Programs	6,225
Cost of Sales - Reimbursable Programs	206,768
Salaries, Benefits & Payroll Taxes	247,663
Professional and Technical Services	98,969
Repairs and Supplies	62,204
Depreciation Expense	6,349
	<hr/>
Total Operating Expenses	628,178
	<hr/>
Operating Loss	(178,022)
	<hr/>
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	6,674
Federal Sources:	
Local Food for Schools Funding	4,121
Supply Chain Additional Funding	99,475
Federal School Lunch Program	107,565
Food Distribution Program	33,039
	<hr/>
Total Non-Operating Revenue	250,874
	<hr/>
Change in Net Position	72,852
	<hr/>
Net Position/(Deficit) - Beginning of Year	192,935
	<hr/>
Net Position - End of Year	\$ 265,787
	<hr/> <hr/>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FOOD SERVICE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 439,407
Payments to Food Service Vendor	(517,633)
Payments to Suppliers	<u>(33,922)</u>
Net Cash (Used for) Operating Activities	<u>(112,148)</u>
Cash Flows from Capital Financing Activities:	
Purchase of Capital Assets	<u>(25,448)</u>
Net Cash Used for Capital Financing Activities	<u>(25,448)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>268,707</u>
Net Cash Provided by Noncapital Financing Activities	<u>268,707</u>
Net Increase in Cash and Cash Equivalents	131,111
Cash and Cash Equivalents, July 1	<u>147,459</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 278,570</u></u>
Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:	
Operating Loss	\$ (178,022)
Adjustment to Reconcile Operating Loss to Net Cash (Used for) Operating Activities:	
Federal Food Distribution Program	33,039
Depreciation	6,349
Changes in Assets and Liabilities:	
Decrease in Inventory	(3,244)
Increase in Accounts Payable	37,235
(Decrease) in Unearned Revenue	<u>(7,505)</u>
Net Cash (Used for) Operating Activities	<u><u>\$ (112,148)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Fund received USDA donated commodities valued at \$34,544 and used commodities valued at \$33,039 during the fiscal year.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Transportation</u>
<u>ASSETS:</u>	
Current Assets:	
Accounts Receivable:	
Intergovernmental - Other	\$ 26,619
Total Current Assets	26,619
Non-Current Assets:	
Capital Assets	5,965,335
Less: Accumulated Depreciation	(3,950,776)
Total Non-Current Assets	2,014,559
Total Assets	2,041,178
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	6,991
Interfund Payable	344,147
Total Current Liabilities	351,138
Long-Term Liabilities:	
Financed Purchases Payable:	
Due Within One Year	338,070
Due Beyond One Year	324,601
Total Long-Term Liabilities	662,671
Total Liabilities	1,013,809
<u>NET POSITION:</u>	
Net Investment in Capital Assets	1,351,888
Unrestricted/(Deficit)	(324,519)
Total Net Position	\$ 1,027,369

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Transportation</u>
Operating Revenue:	
Local Sources:	
Charges and Fees	\$ 5,042,423
 Total Operating Revenue	5,042,423
 Operating Expenses:	
Salaries, Benefits and Payroll Taxes	3,667,927
Professional and Technical Services	145,030
Maintenance	966,121
Supplies and Materials	8,729
Depreciation	381,424
 Total Operating Expenses	5,169,231
 Operating Loss	(126,808)
 Non-Operating Expense:	
Interest Expense on Financed Purchases	(14,930)
 Total Non-Operating Expense	(14,930)
 Change in Net Position	(141,738)
 Net Position - Beginning of Year (Restated)	1,169,107
 Net Position - End of Year	\$ 1,027,369

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Transportation</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 5,058,203
Payments to Suppliers	(4,697,338)
	360,865
Net Cash Provided by/(Used for) Operating Activities	
Cash Flows from Capital and Related Financing Activities:	
Purchases of Capital Assets	(7,865)
Interest Expense on Financed Purchases	(14,930)
Financed Purchases Principal Payments	(338,070)
	(360,865)
Net Cash (Used for) Capital and Related Financing Activities	
Net Increase/(Decrease) in Cash and Cash Equivalents	-0-
Cash and Cash Equivalents, July 1	-0-
Cash and Cash Equivalents, June 30	\$ -0-
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Operating Income/(Loss)	\$ (126,808)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	381,424
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	15,780
Increase/(Decrease) in Accounts Payable	(4,603)
Increase/(Decrease) in Interfunds Payable	95,072
	\$ 360,865
Net Cash Provided by/(Used for) Operating Activities	

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

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

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

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

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2022</u>	<u>Matured</u>	<u>Balance June 30, 2023</u>
<u>General Fund:</u>					
Chromebooks, iPads	0.988%	\$ 243,245	\$ 161,365	\$ 80,286	\$ 81,079
Total General Fund			<u>161,365</u>	<u>80,286</u>	<u>81,079</u>
<u>Internal Service Fund:</u>					
Buses	3.280%	436,788	84,584	84,584	
Buses	2.040%	563,900	343,999	112,359	231,640
Buses	0.898%	718,423	572,158	141,127	431,031
Total Internal Service Fund			<u>1,000,741</u>	<u>338,070</u>	<u>662,671</u>
Total Financed Purchases			<u>\$ 1,162,106</u>	<u>\$ 418,356</u>	<u>\$ 743,750</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,405,969		\$ 1,405,969	\$ 1,405,969	
Total Revenue	1,405,969		1,405,969	1,405,969	
EXPENDITURES:					
Regular Debt Service:					
Interest	56,700		56,700	56,700	
Redemption of Principal	1,350,000		1,350,000	1,350,000	
Total Regular Debt Service	1,406,700		1,406,700	1,406,700	
Total Expenditures	1,406,700		1,406,700	1,406,700	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(731)		(731)	(731)	
Fund Balance, July 1	731		731	731	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

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

	June 30,				
	2014	2015	2016	2017	2018
Governmental Activities					
Net Investment in Capital Assets	\$ 30,705,497	\$ 32,929,331	\$ 33,572,340	\$ 33,877,875	\$ 33,912,575
Restricted	1,924,520	2,289,164	1,240,224	1,440,224	1,773,927
Unrestricted/(Deficit)	(12,678,217)	(14,871,251)	(14,156,191)	(15,487,836)	(16,717,524)
Total Governmental Activities Net Position	\$ 19,951,800	\$ 20,347,244	\$ 20,656,373	\$ 19,830,263	\$ 18,968,978
Business-type Activities					
Investment in Capital Assets	\$ 106,226	\$ 94,955	\$ 80,434	\$ 60,642	\$ 46,014
Unrestricted/(Deficit)	(218,697)	(135,316)	(141,436)	(134,256)	(122,229)
Total Business-type Activities Net Position/(Deficit)	\$ (112,471)	\$ (40,361)	\$ (61,002)	\$ (73,614)	\$ (76,215)
District-wide					
Net Investment in Capital Assets	\$ 30,811,723	\$ 33,024,286	\$ 33,652,774	\$ 33,938,517	\$ 33,958,589
Restricted	1,924,520	2,289,164	1,240,224	1,440,224	1,773,927
Unrestricted/(Deficit)	(12,896,914)	(15,006,567)	(14,297,627)	(15,622,092)	(16,839,753)
Total District Net Position	\$ 19,839,329	\$ 20,306,883	\$ 20,595,371	\$ 19,756,649	\$ 18,892,763

	June 30,				
	2019	2020	2021	2022	2023
Governmental Activities					
Net Investment in Capital Assets	\$ 33,845,295	\$ 34,033,647	\$ 36,347,933	\$ 37,851,997	\$ 37,778,043
Restricted	2,761,872	4,308,829	4,328,230	1,995,249	2,512,293
Unrestricted/(Deficit)	(16,913,190)	(16,284,569)	(16,286,666)	(11,054,920)	(9,730,362)
Total Governmental Activities Net Position	\$ 19,693,977	\$ 22,057,907	\$ 24,389,497	\$ 28,792,326	\$ 30,559,974
Business-type Activities					
Investment in Capital Assets	\$ 31,390	\$ 25,065	\$ 14,568	\$ 13,624	\$ 32,723
Unrestricted/(Deficit)	(107,578)	(129,373)	(149,858)	179,311	233,064
Total Business-type Activities Net Position/(Deficit)	\$ (76,188)	\$ (104,308)	\$ (135,290)	\$ 192,935	\$ 265,787
District-wide					
Net Investment in Capital Assets	\$ 33,876,685	\$ 34,058,712	\$ 36,362,501	\$ 37,865,621	\$ 37,810,766
Restricted	2,761,872	4,308,829	4,328,230	1,995,249	2,512,293
Unrestricted/(Deficit)	(17,020,768)	(16,413,942)	(16,436,524)	(10,875,609)	(9,497,298)
Total District Net Position	\$ 19,617,789	\$ 21,953,599	\$ 24,254,207	\$ 28,985,261	\$ 30,825,761

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction:										
Regular	\$ 17,115,111	\$ 19,089,714	\$ 19,823,737	\$ 21,550,075	\$ 22,927,663	\$ 23,249,255	\$ 22,612,668	\$ 23,543,832	\$ 20,649,833	\$ 20,834,355
Special Education	6,615,956	7,893,868	8,659,630	10,093,387	9,903,395	9,760,735	9,928,216	10,077,903	9,190,276	8,670,047
Other Special Education	1,120,353	1,653,039	1,704,964	2,391,859	2,129,137	1,413,149	1,485,311	1,619,925	2,060,880	1,964,110
School Sponsored/Other Instruction	249,056	334,792	352,981	177,474	378,443	384,797	326,981	105,395	288,876	273,476
Support Services:										
Tuition	1,283,355	1,338,469	1,089,551	1,450,741	1,581,745	1,524,562	1,276,869	1,013,535	541,766	729,007
Student & Instruction Related Services	7,232,507	8,021,352	8,678,706	9,544,258	10,008,483	10,756,611	10,818,860	10,477,895	9,988,359	8,826,341
General Administrative Services	790,069	861,609	899,002	877,703	932,218	981,500	988,038	1,065,670	837,715	791,044
School Administrative Services	1,680,145	2,084,284	1,814,291	1,965,221	2,101,492	2,253,681	2,295,832	2,374,815	2,165,697	2,105,270
Central Services	720,253	729,583	781,993	900,989	938,605	965,398	986,365	1,008,133	931,244	903,926
Technology Services	11,731	6,057	45,747	1,425	1,294	4,542	7,076	2,750	12,690	41,059
Plant Operations and Maintenance	3,993,337	4,265,266	4,419,113	4,826,969	4,801,893	5,396,298	5,093,739	5,667,590	5,057,269	5,063,531
Pupil Transportation	4,898,277	4,958,457	4,683,483	5,186,198	5,176,744	5,590,077	5,064,649	4,802,868	5,459,090	6,089,989
Interest on Long-term Debt	476,752	440,843	402,967	358,366	312,266	306,314	249,403	207,614	193,300	122,764
Transfer to Charter School	93,182	79,771	70,887	47,088	81,809	49,048	78,664	77,718	22,109	
Capital Outlay	1,594,755	41,548		258,683	41,549				278,849	33,656
Total Governmental Activities Expenses	47,874,839	51,798,652	53,427,052	59,630,436	61,316,736	62,635,967	61,212,671	62,045,643	57,677,953	56,448,575
Business-type Activities:										
Food Service	646,701	590,276	578,631	550,979	514,122	507,449	417,582	458,161	710,255	628,178
Total Business-type Activities Expenses	646,701	590,276	578,631	550,979	514,122	507,449	417,582	458,161	710,255	628,178
Total District Expenses	48,521,540	52,388,928	54,005,683	60,181,415	61,830,858	63,143,416	61,630,253	62,503,804	58,388,208	57,076,753
Program Revenues										
Governmental Activities:										
Charges for Services:										
Regular Instruction				12,888		26,238	46,690			161,869
Pupil Transportation	1,052,689	1,101,469	1,303,236	1,420,193	1,502,366	1,638,633	1,438,688	1,104,441	1,403,913	1,661,056
Operating Grants and Contributions	12,465,798	17,282,809	19,075,209	23,188,978	24,574,950	24,839,254	24,420,173	25,894,743	21,241,477	17,246,061
Total Governmental Activities	13,518,487	18,384,278	20,378,445	24,609,171	26,090,204	26,504,125	25,905,551	26,999,184	22,645,390	19,068,986
Program Revenues										

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type Activities:										
Charges for Services										
Food Service	\$ 514,929	\$ 483,787	\$ 453,066	\$ 443,317	\$ 421,502	\$ 421,623	\$ 314,601	\$ 17,036	\$ 12,735	\$ 450,156
Operating Grants and Contributions	111,358	103,599	104,924	95,050	90,019	85,853	74,861	410,143	1,025,745	250,874
Total Business-type Activities	626,287	587,386	557,990	538,367	511,521	507,476	389,462	427,179	1,038,480	701,030
Program Revenues	14,144,774	18,971,664	20,936,435	25,147,538	26,601,725	27,011,601	26,295,013	27,426,363	23,683,870	19,770,016
Total District Program Revenues										
Net (Expense)/Revenue:										
Governmental Activities	(34,356,352)	(33,414,374)	(33,048,607)	(35,021,265)	(35,226,532)	(36,131,842)	(35,307,120)	(35,046,459)	(35,032,563)	(37,379,589)
Business-type Activities	(20,414)	(2,890)	(20,641)	(12,612)	(2,601)	27	(28,120)	(30,982)	328,225	72,852
Total District-wide Net Expense	(34,376,766)	(33,417,264)	(33,069,248)	(35,033,877)	(35,229,133)	(36,131,815)	(35,335,240)	(35,077,441)	(34,704,338)	(37,306,737)
General Revenues and Other										
Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	30,565,878	31,128,290	31,549,550	32,451,543	33,500,730	34,582,119	35,273,761	35,626,700	36,339,234	\$ 37,181,355
Taxes Levied for Debt Service	1,477,238	1,481,324	1,473,449	1,468,850	1,457,750	1,445,250	1,431,350	1,391,550	1,408,739	1,405,969
Unrestricted Grants and Contributions	453,893	1,077,663	112,689	92,876		507,398	1,584	109,681	1,443,423	22,113
Miscellaneous Income	235,325	197,541	222,048	181,885	234,027	521,701	262,306	250,118	243,996	537,800
Other Items		(75,000)				(199,628)	103,497			
Total Governmental Activities	32,732,334	33,809,818	33,357,736	34,195,154	35,192,507	36,856,840	37,072,498	37,378,049	39,435,392	39,147,237
Business-type Activities:										
Transfers		75,000								
Total Business-type Activities	32,732,334	33,884,818	33,357,736	34,195,154	35,192,507	36,856,840	37,072,498	37,378,049	39,435,392	39,147,237
Change in Net Position:										
Governmental Activities	(1,624,018)	395,444	309,129	(826,111)	(34,025)	724,998	1,765,378	2,331,590	4,402,829	1,767,648
Business-type Activities	(20,414)	72,110	(20,641)	(12,612)	(2,601)	27	(28,120)	(30,982)	328,225	72,852
Total District	\$ (1,644,432)	\$ 467,554	\$ 288,488	\$ (838,723)	\$ (36,626)	\$ 725,025	\$ 1,737,258	\$ 2,300,608	\$ 4,731,054	\$ 1,840,500

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 429,776	\$ 640,211	\$ 1,140,311	\$ 1,340,311	\$ 1,674,014	\$ 2,761,872	\$ 4,272,928	\$ 4,300,342	\$ 1,971,381	\$ 2,490,635
Assigned	997,652	1,136,067	1,085,312	1,219,550	1,009,470	825,382	1,656,068	1,576,464	1,961,946	1,869,429
Unassigned	474,683	306,044	267,316	223,107	746,705	404,208	659,638	1,886,663	1,946,407	1,589,366
Total General Fund	\$ 1,902,111	\$ 2,082,322	\$ 2,492,939	\$ 2,782,968	\$ 3,430,189	\$ 3,991,462	\$ 6,588,634	\$ 7,763,469	\$ 5,879,734	\$ 5,949,430
All Other Governmental Funds:										
Restricted	\$ 1,494,744	\$ 512,886	\$ 99,913	\$ 99,913	\$ 99,913		\$ 35,901	\$ 27,888	\$ 23,868	\$ 21,658
Committed			185,217	278,093	278,093					
Unassigned/(Deficit)							(456,167)	(2,537,439)		(30,032)
Total All Other Governmental Funds/(Deficit)	\$ 1,494,744	\$ 512,886	\$ 285,130	\$ 378,006	\$ 378,006	\$ (103,760)	\$ (420,266)	\$ (2,509,551)	\$ 23,868	\$ (8,374)
Total All Funds	\$ 3,396,855	\$ 2,595,208	\$ 2,778,069	\$ 3,160,974	\$ 3,808,195	\$ 3,887,702	\$ 6,168,368	\$ 5,253,918	\$ 5,903,602	\$ 5,941,056

Source: School District Financial Reports

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$32,043,116	\$32,609,614	\$33,022,999	\$33,920,393	\$34,958,480	\$36,027,369	\$36,705,111	\$37,018,250	\$37,747,973	\$38,587,324
Tuition										161,869
Miscellaneous	235,325	235,514	258,713	255,029	319,275	628,400	358,289	313,351	457,061	808,184
State Sources	12,295,444	13,432,097	13,080,202	13,607,303	14,560,511	15,620,748	14,558,172	15,587,470	17,988,792	15,753,956
Federal Sources	624,247	624,220	639,034	620,572	611,896	604,362	560,021	752,992	975,536	1,105,197
Total Revenue	45,198,132	46,901,445	47,000,948	48,403,297	50,450,162	52,880,879	52,181,593	53,672,063	57,169,362	56,416,530
Expenditures										
Instruction										
Regular Instruction	12,198,315	12,243,182	12,183,304	12,245,582	12,286,588	12,270,756	11,812,189	12,267,438	12,075,570	13,133,741
Special Education Instruction	4,620,921	4,883,954	5,165,139	5,317,895	5,069,499	4,934,553	5,025,387	4,982,671	5,234,508	5,257,921
Other Special Instruction	777,184	1,018,631	1,008,048	1,356,397	1,087,499	1,030,861	1,071,011	1,118,756	1,166,711	1,187,385
School Sponsored/Other Instruction	176,164	213,170	215,213		201,651	201,763	169,396	53,831	168,983	171,664
Support Services:										
Tuition	1,283,355	1,338,469	1,089,551	1,450,741	1,581,745	1,524,562	1,276,869	1,013,535	541,766	729,007
Student & Instruction Related Services	4,973,116	5,134,433	5,373,378	5,131,120	5,196,903	5,582,307	5,577,724	5,337,207	5,792,483	5,307,826
General Administrative Services	621,384	629,117	653,781	553,740	583,189	615,164	626,849	651,251	568,563	561,215
School Administrative Services	1,275,265	1,342,378	1,328,797	1,242,488	1,212,677	1,191,732	1,189,948	1,201,460	1,277,514	1,326,647
Central Services	513,563	462,632	477,691	495,118	499,579	508,331	519,774	518,286	548,131	567,259
Administrative Information Technology	11,731	6,057	1,845	1,425	1,294	4,542	7,076	2,750	12,690	41,059
Plant Operations and Maintenance	3,221,414	3,195,769	3,180,603	3,235,608	3,178,635	3,688,161	3,370,833	3,817,736	3,657,361	3,811,118
Pupil Transportation	3,000,524	2,854,026	2,823,051	3,017,810	3,367,344	3,702,853	3,563,124	3,572,053	3,666,250	3,974,528
Unallocated Benefits	9,430,757	9,867,408	11,301,551	12,414,982	13,939,157	14,974,191	14,450,318	16,185,197	18,443,849	18,752,558
Transfer to Charter Schools	93,182	79,771	70,887	47,088	81,809	49,048	78,664	77,718	22,109	
Capital Outlay	1,633,739	2,877,770	957,989	434,043	57,622	50,410	440,476	2,395,074	2,139,198	150,448
Debt Service:										
Principal	1,025,000	1,065,000	1,095,000	1,135,000	1,170,000	1,205,000	1,240,000	1,250,000	5,494,000	1,350,000
Interest and Other Charges	452,237	416,325	378,450	333,850	287,750	240,250	183,339	141,550	127,237	56,700
Total Expenditures	45,307,851	47,628,092	47,304,278	48,412,887	49,802,941	51,774,484	50,602,977	54,586,513	60,936,923	56,379,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,719)	(726,647)	(303,330)	(9,590)	647,221	1,106,395	1,578,616	(914,450)	(3,767,561)	37,454

WASHINGTON TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing Sources (Uses)										
Bond Proceeds										
Transfers In	\$ 1,702,905	\$ 709,337				\$ 37,724			\$ 4,174,000	
Transfers Out	(1,702,905)	(784,337)				(37,724)				
Cancellation of SDA Grant Receivable						(199,628)				
Financed Purchases (Non-budgeted)			\$ 486,191	\$ 392,495		(199,628)			243,245	
Total Other Financing Sources (Uses)		(75,000)	486,191	392,495		(199,628)			4,417,245	
Net Change in Fund Balances	\$ (109,719)	\$ (801,647)	\$ 182,861	\$ 382,905	\$ 647,221	\$ 906,767	\$ 1,578,616	\$ (914,450)	\$ 649,684	\$ 37,454
Debt Service as a Percentage of Noncapital Expenditures	3.5%	3.4%	3.3%	3.2%	3.0%	2.9%	2.9%	2.7%	10.6%	2.6%

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals- Use of</u> <u>Facilities</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 3,017	\$ 21,035	\$ 116,402	\$ 39,453	\$ 179,907
2015	2,306	17,550	114,267	63,418	197,541
2016	9,955	19,561	84,099	104,347	217,962
2017	19,163	17,650	87,277	57,795	181,885
2018	75,467	17,426	92,412	48,722	234,027
2019	167,593	18,690	205,807	155,849	547,939
2020	102,391	12,592	117,096	76,917	308,996
2021	5,813	15,890	190,465	37,950	250,118
2022	9,893	15,890	216,322	1,891	243,996
2023	283,280	17,000	167,022	232,367	699,669

Source: Washington Township School District records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm (Regular)	Farm (Qualified)	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	School Tax Rate ^b	(County Equalized Value)
2013	\$ 31,560,000	\$ 2,478,920,800	\$ 115,230,000	\$ 4,334,500	\$ 119,232,700	\$ 34,966,600	\$ 35,358,200	\$ 2,819,602,800	\$ 252,694,900	\$ 1,383,066	\$ 2,820,985,866	1.13	\$ 2,896,200,018
2014	30,285,400	2,473,660,800	115,685,500	4,434,000	119,360,900	32,800,100	35,358,200	2,811,584,900	253,470,500	939,069	2,812,523,969	1.15	2,795,635,987
2015	29,795,600	2,472,018,300	114,769,000	4,412,000	115,548,400	32,800,100	35,358,200	2,804,701,600	254,218,200	935,217	2,805,636,817	1.16	2,843,585,328
2016	31,061,500	2,470,631,400	116,338,400	4,359,800	123,464,900	32,800,100	35,358,200	2,814,014,300	254,082,500	830,887	2,814,845,187	1.20	2,857,587,207
2017	29,395,800	2,478,120,100	116,160,600	4,353,600	122,738,600	32,238,700	35,054,600	2,818,062,000	254,082,300		2,818,062,000	1.22	2,896,024,012
2018	26,217,500	2,489,033,400	116,986,400	4,320,600	122,170,100	32,238,700	35,461,400	2,826,428,100	256,473,800		2,826,428,100	1.21	2,906,311,191
2019	25,652,900	2,485,591,200	117,377,100	4,350,900	118,219,200	30,938,700	35,461,400	2,817,591,400	259,513,500		2,817,591,400	1.28	2,890,035,246
2020	27,731,800	2,486,474,400	118,781,800	4,317,800	119,241,300	30,938,700	35,461,400	2,822,947,200	259,612,500		2,822,947,200	1.30	2,890,388,607
2021	24,270,700	2,486,001,600	119,325,300	4,505,300	118,254,600	30,938,700	35,461,400	2,818,757,600	259,612,500		2,818,757,600	1.32	2,891,663,641
2022	21,800,700	2,488,721,200	118,113,800	4,354,300	115,792,200	30,938,700	35,461,400	2,815,182,300	259,873,900		2,815,182,300	1.36	2,993,591,721

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

- a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b Tax rates are per \$100 of assessed valuation

WASHINGTON TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended Dec. 31,	Washington Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt ^b	Total Direct	Washington Township	Regional School District	Morris County	
2013	\$ 1.08	\$ 0.05	\$ 1.13	\$ 0.42	\$ 0.52	\$ 0.26	\$ 2.33
2014	1.08	0.05	1.15	0.43	0.52	0.26	2.36
2015	1.11	0.05	1.16	0.44	0.52	0.25	2.37
2016	1.14	0.06	1.20	0.44	0.53	0.25	2.42
2017	1.17	0.05	1.22	0.45	0.56	0.27	2.50
2018	1.17	0.05	1.21	0.46	0.57	0.27	2.51
2019	1.23	0.05	1.28	0.47	0.59	0.27	2.61
2020	1.23	0.05	1.30	0.47	0.60	0.27	2.64
2021	1.27	0.05	1.32	0.48	0.61	0.27	2.68
2022	1.31	0.05	1.36	0.49	0.64	0.27	2.76

Source: Municipal Tax Collector and School Business Administrator

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2023		2014	
	Taxpayer	Taxable Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Heath Village		\$ 21,864,400	\$ 21,761,200	0.77%
Target Corp		13,650,000	15,900,000	0.57%
Hackettstown 57 MP RK6 LLC		11,694,100	12,519,100	0.45%
Peachtree Village		10,250,000	10,250,000	0.36%
Bay Ridge Motor Sales		7,940,000	7,940,000	0.28%
GPT Hackettstown Owner LLC		6,841,200	7,605,500	0.27%
Amerace ESNA Corp		6,178,400	7,399,000	0.26%
Columbia Gas Trans.		5,872,300	6,178,400	0.22%
Long Valley Shopping Center		4,800,000	5,872,300	0.21%
100 Mile Northeast LLC		4,570,800	5,500,000	0.20%
Total		\$ 93,661,200	\$ 100,925,500	3.32%
				3.57%

Source: Municipal Tax Assessor.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy ^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2014	\$ 32,043,116	\$ 32,043,116	100.00%	-0-
2015	32,609,614	32,609,614	100.00%	-0-
2016	33,022,999	33,022,999	100.00%	-0-
2017	33,920,393	33,920,393	100.00%	-0-
2018	36,039,869	36,039,869	100.00%	-0-
2019	36,027,369	36,027,369	100.00%	-0-
2020	36,705,111	36,705,111	100.00%	-0-
2021	37,018,250	37,018,250	100.00%	-0-
2022	37,747,973	37,747,973	100.00%	-0-
2023	38,587,324	38,587,324	100.00%	-0-

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

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

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

Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Bond Anticipation Notes	Financed Purchases			
2014	\$ 12,045,000		\$ 776,740	\$ 12,821,740	0.85%	\$ 688.08
2015	10,980,000		1,372,813	12,352,813	0.79%	665.02
2016	9,885,000		1,586,448	11,471,448	0.70%	618.04
2017	8,750,000		1,782,930	10,532,930	0.62%	568.67
2018	7,580,000		1,140,699	8,720,699	0.50%	471.11
2019	6,375,000		978,068	7,353,068	0.41%	400.62
2020	5,135,000	\$ 4,174,000 *	1,149,377	10,458,377	0.58%	576.54
2021	3,885,000	4,174,000	1,116,394	9,175,394	0.50%	508.64
2022	2,565,000		1,162,106	3,727,106	0.19%	205.17
2023	1,215,000		743,750	1,958,750	0.10%	107.83

Source: School District Financial Reports

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Bond Anticipation Notes			
2014	\$ 12,045,000			\$ 12,045,000	0.427%	\$ 646.40
2015	10,980,000			10,980,000	0.390%	591.12
2016	9,885,000			9,885,000	0.352%	532.57
2017	8,750,000			8,750,000	0.311%	472.41
2018	7,580,000			7,580,000	0.269%	409.49
2019	6,375,000			6,375,000	0.226%	347.34
2020	5,135,000		\$ 4,174,000 *	9,309,000	0.330%	513.18
2021	3,885,000		4,174,000	8,059,000	0.285%	446.75
2022	2,565,000			2,565,000	0.091%	141.20
2023	1,215,000			1,215,000	0.043%	66.89

Source: School District Financial Reports

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Washington Township	\$ 9,821,500	100.00%	\$ 9,821,500
Morris County General Obligation Debt	252,921,843	2.88 %	7,283,369
West Morris Regional High School District	2,080,000	8.67%	<u>180,336</u>
Subtotal, overlapping debt			17,285,205
Washington Township School District Direct Debt			<u>1,215,000</u>
Total direct and overlapping debt			<u><u>\$ 18,500,205</u></u>

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis	
2022	\$ 3,247,787,610
2021	2,993,264,946
2020	2,891,771,358
	<u>\$ 9,132,823,914</u>
	<u>\$ 3,044,274,638</u>
	\$ 91,328,239
	30,024,494
	<u>\$ 61,303,745</u>

Average equalized valuation of taxable property

Debt limit (3% of average equalization value)
 Net bonded school debt*
 Legal debt margin

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$93,645,417	\$84,981,113	\$84,527,266	\$85,247,001	\$86,232,907	\$86,753,846	\$86,687,098	\$86,672,237	\$87,657,146	\$ 91,328,239
Total net debt applicable to limit	12,045,000	10,980,000	9,885,000	8,750,000	7,580,000	6,375,000	9,309,000	8,059,000	2,565,000	30,024,494
Legal debt margin	<u>\$81,600,417</u>	<u>\$74,001,113</u>	<u>\$74,642,266</u>	<u>\$76,497,001</u>	<u>\$78,652,907</u>	<u>\$80,378,846</u>	<u>\$77,378,098</u>	<u>\$78,613,237</u>	<u>\$77,378,098</u>	<u>\$ 61,303,745</u>

Total net debt applicable to the limit as a percentage of debt limit

	12.86%	12.92%	11.69%	10.26%	8.79%	7.35%	10.74%	9.30%	2.93%	32.88%
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Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by 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
UNAUDITED

Year	Township Population ^a	Morris County Per Capita Personal Income ^b	Township Personal Income (a*b)	Township Unemployment Rate ^c
2014	18,575	\$ 84,287	\$ 1,565,631,025	4.60%
2015	18,561	88,298	1,638,899,178	4.30%
2016	18,522	91,252	1,690,169,544	3.50%
2017	18,511	93,544	1,731,592,984	3.40%
2018	18,354	97,244	1,784,816,376	3.20%
2019	18,140	99,140	1,798,399,600	2.70%
2020	18,039	102,227	1,844,072,853	6.60%
2021	18,166	107,767	1,957,695,322	4.80%
2022	18,165	107,767 *	1,957,587,555 ***	3.10%
2023	18,165 **	107,767 *	1,957,587,555 ***	N/A

* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

** - Latest population data available (2022) was used for calculation purposes.

*** - Latest personal income data available (2022) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

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

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

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

	2023		Employer	2014	
	Employees	Percentage Total		Employees	Percentage Total
Atlantic Health System	10,552	4.02%	U.S Army Armament Reseach & Development	5,841	2.27%
Novartis	6,500	2.47%	Novartis Corporation	5,035	1.96%
Picatinny Arsenal	6,000	2.28%	Atlantic Health System	4,463	1.74%
Barclays	3,374	1.28%	Automatic Data Processing, Inc.	2,060	0.80%
Bayer	2,713	1.03%	Bayer Healthcare, LLC	1,900	0.74%
ADP	2,400	0.91%	County of Morris	1,674	0.65%
Accenture	2,344	0.89%	Wyndham Worlwide Corporation	1,653	0.64%
PricewaterhouseCoopers	2,095	0.80%	St Clare's Health Systems	1,642	0.64%
Cigna	1,686	0.64%	BASF Corporation	1,500	0.58%
Deloitte & Touche	1,646	0.63%	Accenture	1,480	0.58%
Total	<u>39,310</u>	<u>14.96%</u>	Total	<u>27,248</u>	<u>10.60%</u>
Total County Labor Force	<u>262,719</u>		Total Employment *	<u>257,024</u>	

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

Source: Morris County Treasurer's Office

WASHINGTON TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>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>2023</u>
Instruction										
Regular	146	146	144	142	141	137	133	132	131	135
Special education	115	126	127	128	125	117	120	119	119	116
Support Services:										
Student & instruction related services	56	56	56	57	56	56	52	51	51	47
School administrative services	19	19	19	19	18	18	17	17	16	16
General administrative services	6	5	5	5	5	5	5	4	4	4
Plant operations and maintenance	28	28	28	28	28	28	28	28	28	28
Pupil transportation	41	40	41	41	41	40	40	40	40	40
Business and other support services	6	6	6	6	5	5	5	5	5	5
Food Service	2	1								
Total	419	427	426	426	419	407	400	396	394	391

Source: District Personnel Records

WASHINGTON TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2014	2,357	\$ 42,196,875	\$ 17,903	3.48%	217	1:13	1:12	2,344	2,236	-4.83%	95.39%
2015	2,296	43,268,997	18,845	5.27%	216	1:13	1:12	2,280	2,180	-2.73%	95.61%
2016	2,197	44,872,839	20,425	8.38%	240	1:13	1:12	2,204	2,108	-3.33%	95.64%
2017	2,078	46,509,994	22,382	9.58%	239	1:13	1:12	2,086	1,998	-5.35%	95.78%
2018	2,086	48,287,569	23,148	3.42%	236	1:13	1:12	2,067	1,973	-0.91%	95.45%
2019	2,022	50,278,824	24,866	7.42%	225	1:13	1:12	2,010	1,917	-2.76%	95.37%
2020	2,038	48,739,162	23,915	-3.82%	225	1:13	1:12	2,025	1,954	0.75%	96.49%
2021	1,955	50,799,889	25,985	8.65%	223	1:13	1:12	1,926	1,881	-4.89%	97.66%
2022	1,923	53,176,488	27,653	6.42%	223	1:13	1:12	1,907	1,810	-0.99%	94.91%
2023	1,974	54,821,928	27,772	0.43%	225	1:13	1:12	1,954	1,850	2.46%	94.68%

Sources: Washington Township School District records

Note: Enrollment based on annual October district count.

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

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

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Flocktown-Kossmann School (1969-1979)	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550	73,550
Square Feet	600	600	600	600	600	600	600	600	600	600
Capacity (students)	501	501	494	466	459	442	480	474	441	488
Enrollment	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140	46,140
Old Farmers School (1969)	396	396	396	396	396	396	396	396	396	396
Square Feet	358	358	329	329	328	307	309	310	319	319
Capacity (students)	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105	128,105
Enrollment	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190
Long Valley Middle School North and South (1949)	892	892	868	797	775	752	727	720	717	673
Square Feet	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541	98,541
Capacity (students)	748	748	748	748	748	748	748	748	748	748
Enrollment	521	521	506	486	496	499	499	451	446	494
Administration Building (1954)	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730	4,730
Square Feet										

Number of Schools at June 30, 2023

 Elementary = 3

 Middle School = 1

 High School = 0

Source: Washington Township School District Facilities Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on the annual October district count.

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

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

School Facilities	Fiscal Year Ended, June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Board of Education	\$ 2,087	\$ 2,209	\$ 2,480	\$ 2,441	\$ 2,632	\$ 5,050	\$ 2,475	\$ 1,810	\$ 1,550	\$ 2,874
Flocktown-Kossmann School	101,154	201,235	166,131	109,254	119,925	158,161	109,851	175,687	60,399	154,952
Old Farmers School	107,300	70,634	79,350	90,549	69,913	113,131	45,291	63,566	150,189	73,733
Long Valley Middle School	285,625	205,021	264,970	280,306	291,753	270,768	211,413	214,695	207,986	207,608
Cucinella School	88,830	99,014	103,443	128,005	127,412	199,806	151,318	123,907	106,165	169,545
Total	\$584,996	\$578,113	\$616,374	\$610,554	\$611,635	\$746,916	\$520,348	\$579,665	\$526,289	\$608,712

Source: Washington Township School District records

WASHINGTON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED

School Package Policy -	<u>Coverage</u>	<u>Deductible</u>
National Union Fire Insurance Company of Pittsburgh, Pa.		
Property - Blanket Building and Contents	\$ 141,399,243	\$ 5,000
Commercial General Liability	1,000,000	
Comprehensive Automotive Liability	1,000,000	
Comprehensive Crime Coverage, Employee Dishonesty	500,000	5,000
Comprehensive Crime Coverage, Forgery or Alteration	250,000	5,000
Comprehensive Crime, Computer Fraud	250,000	5,000
Computer and Scheduled Equipment - National Union Fire Insurance Company of Pittsburgh, Pa.		
EDP	Included in Blanket Limit	1,000
Blanket Tools & Equipment	250,000	500
Cameras, Musical Instruments	Included in Blanket Limit	500
Boiler and Machinery - National Union Fire Insurance Company of Pittsburgh, Pa.		
Property Damage	Included in Blanket Limit	5,000
Umbrella Liability		
Umbrella Policy - National Union Fire Insurance Company of Pittsburgh.	10,000,000	
Excess Liability - Hudson/Allied/Great American-\$30,000,000	30,000,000	
School Board Legal Liability -National Union Fire Insurance Company of Pittsburgh, Pa.		
Educator's Legal Liability	1,000,000	5,000
Public Employees' Faithful Performance Blanket		
Position Bond		
Board Secretary	10,000	
Special Risks		
Flood/Earthquake - National Union Fire Insurance Company of Pittsburgh, Pa.		
Per Property Limit Flood	5,000,000	50,000
Per Property Limit Earthquake	5,000,000	100,000
Volunteers - Berkeley Life and Health Ins. Co.	5,000	
Environmental - Philadelphia Insurance	1,000,000	25,000

Source: Washington Township School District Records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

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

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

October 3, 2023
Mount Arlington, New Jersey

NISIVOCCIA LLP

Francis Jones of Nisivoccia LLP

Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Washington Township School District (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

October 3, 2023
Mount Arlington, New Jersey

NISIVOC CIA LLP

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WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	State Account Number	Grant Period	Award Amount	Balance Accounts Receivable/ (Unearned Revenue) 6/30/2022	Cash Received	Budgetary Expenditures	Balance 6/30/2023		Amounts Paid to Subrecipients
								Accounts Receivable	Unearned Revenue	
U.S. Department of Agriculture										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/22-6/30/23	\$ 34,544	\$	\$ 34,544	\$ (30,176)		\$ 4,368	
Federal Food Distribution Program	10.555	N/A	7/1/21-6/30/22	98,270	\$ 2,863		(2,863)			
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	107,565		100,486	(107,565)		\$ (7,079)	
COVID-19 Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	845,296	(57,361)	57,361				
Supply Chain Assistance Funding (1st/2nd Round)	10.555	N/A	1/1/22-9/30/23	79,560		79,560	(79,560)			
Supply Chain Assistance Funding (3rd Round)	10.555	N/A	10/1/22-9/30/24	19,915		19,915	(19,915)			
Total Child Nutrition Cluster					(54,498)	291,866	(240,079)	(7,079)	4,368	
Local Food for Schools Cooperative Agreement Program	10.185	N/A	7/1/22 - 6/30/23	4,121		4,121	(4,121)			
Total U.S. Department of Agriculture					(54,498)	295,987	(244,200)	(7,079)	4,368	
Passed-through U.S. Department of Health and Human Services										
General Fund:										
Medicaid Cluster:										
Medical Assistance Program	93.778	N/A	7/1/22-6/30/23	21,718		21,718	(21,718)			
COVID-19 - FFCRA/ SEMI Revenue	93.778	N/A	7/1/20-6/30/21	395		395	(395) *			
Total U.S. Department of Health and Human Services/Total Medicaid Cluster						22,113	(22,113)			
Special Revenue Fund:										
U.S. Department of Education										
Passed-through State Department of Education:										
Elementary and Secondary Education Act:										
Title I	84.010A	ESEA52023	7/1/22-9/30/23	48,103		48,103	(48,103)			
Title I	84.010A	ESEA52022	7/1/21-9/30/22	46,019	2,104	23,207	(25,311)			
Title IIA	84.278A	ESEA52023	7/1/22-9/30/23	29,272		29,272	(29,272)			
Title III	84.365	ESEA52023	7/1/22-9/30/23	27,443			(14,177)		(14,177)	
Title III	84.365	ESEA52022	7/1/21-9/30/22	10,188	(3,725)	3,725	(823)		(823)	
Title IV	84.186A	ESEA52023	7/1/21-9/30/22	10,000		10,000	(10,000)			
Total Elementary and Secondary Education Act					(1,621)	114,307	(127,686)		(15,000)	

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program/Cluster Title	Assistance Listing Number	State Account Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	Balance 6/30/2023		Amounts Paid to Subrecipients
							Receivable	Unearned Revenue	
U.S. Department of Education									
Passed-through State Department of Education:									
Education Stabilization Fund:									
COVID19 - Coronavirus Response and Relief Supplemental Aid:									
	84.425D	S425D210027	3/13/20-9/30/23	\$261,394	\$ 69,227	\$ (41,912)			
ESSER II									
COVID19 - American Rescue Plan:									
	84.425U	S425D210027	3/13/20-9/30/24	161,660	54,208	(54,208)			
	84.425U	S425D210027	3/13/20-9/30/24	40,000	22,184	(22,414)	\$ (230)		
	84.425U	S425D210027	3/13/20-9/30/24	40,000	11,019	(11,019)			
	84.425U	S425D210027	3/13/20-9/30/24	45,000	2,719	(2,719)			
	84.425U	N/A	3/13/20-9/30/24	522,787	174,032	(162,810)	(3,778)		
Total Education Stabilization Fund									
					333,389	(295,082)	(4,008)		
Special Education Cluster:									
	84.173	PS-5520-23	7/1/22-9/30/23	27,789	23,182	(25,509)	(2,327)		
	84.027A	FT-5520-23	7/1/22-9/30/23	513,883	471,719	(513,883)	(42,164)		
	84.027X	N/A	7/1/22-9/30/23	82,507	79,624	(79,624)			
Total Special Education Cluster									
					574,525	(619,016)	(44,491)		
Total Special Revenue Fund									
					1,022,221	(1,041,784)	(63,499)		
Total Federal Awards									
					\$ 1,340,321	\$ (1,308,097)	\$ (70,578)	\$ 4,368	\$ -0-

N/A - Not Applicable/Available
* - Expended in a prior year.

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Project or State Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Balance at June 30, 2023		Memo
				Budgetary Accounts Receivable	Accounts Receivable			GAAP Accounts Receivable	Budgetary Receivable	
NJ Department of Education:										
General Fund:										
Categorical Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	\$ 1,591,751	\$ 1,438,775	\$ (152,538)	\$ 1,591,751	\$ (1,591,751)	\$ (152,976)	\$ 1,591,751	
Categorical Special Education Aid	22-495-034-5120-089	7/1/22 - 6/30/22	1,591,751	1,52,538	(152,538)	1,591,751	(1,591,751)	(185,203)	1,927,075	
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	1,927,075	1,741,872	(281,306)	1,927,075	(1,927,075)	(16,995)	2,935,451	
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	2,935,451	281,306	(281,306)	2,935,451	(176,840)	(16,995)	176,840	
Categorical Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	176,840	159,845	(16,947)	176,840	(457,507)	(14,465)	176,840	
Categorical Security Aid	22-495-034-5120-084	7/1/21 - 6/30/22	176,840	16,947	(16,947)	176,840	(852,739)	(852,739)	12,664	
Categorical Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	457,507	413,538	(43,843)	457,507	(14,465)	(14,465)	14,465	
Categorical Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	457,507	43,843	(43,843)	457,507	(14,465)	(14,465)	14,465	
Non-Public Transportation Aid	23-495-034-5120-014	7/1/22 - 6/30/23	14,465	12,664	(12,664)	14,465	(852,739)	(852,739)	12,664	
Non-Public Transportation Aid	22-495-034-5120-014	7/1/21 - 6/30/22	14,465	12,664	(12,664)	14,465	(852,739)	(852,739)	12,664	
Extraordinary Aid	23-495-034-5120-044	7/1/22 - 6/30/23	852,739	1,020,476	(1,020,476)	852,739	(1,444,920)	(852,739)	1,020,476	
Extraordinary Aid	22-495-034-5120-044	7/1/21 - 6/30/22	852,739	1,020,476	(1,020,476)	852,739	(1,444,920)	(852,739)	1,020,476	
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22 - 6/30/23	1,444,920	73,847	(73,847)	1,444,920	(1,396,149)	(14,465)	1,444,920	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21 - 6/30/22	1,444,920	73,847	(73,847)	1,444,920	(1,396,149)	(14,465)	1,444,920	
Homeless Tuition Reimbursement	N/A	7/1/21 - 6/30/22	28,309	28,309	(28,309)	28,309	(308,550)	(852,739)	1,396,149	
Supplemental Stabilization Aid	23-495-034-5120-128	7/1/22 - 6/30/23	308,550	308,550	(308,550)	308,550	(28,309)	(852,739)	28,309	
Supplemental Stabilization Aid	22-495-034-5120-128	7/1/21 - 6/30/22	308,550	28,309	(28,309)	308,550	(308,550)	(852,739)	28,309	
Lead Water Testing Aid	N/A	7/1/22 - 6/30/23	4,544	4,544	(4,544)	4,544	(308,550)	(852,739)	308,550	
Lead Water Testing Aid	23-495-034-5094-002	7/1/22 - 6/30/23	4,544	4,544	(4,544)	4,544	(308,550)	(852,739)	308,550	
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22 - 6/30/23	6,928,760	6,928,760	(6,928,760)	6,928,760	(96,129)	(435)	6,928,760	
On-Behalf TPAF Pension Contributions	23-495-034-5094-004	7/1/22 - 6/30/23	96,129	96,129	(96,129)	96,129	(1,845,421)	(435)	96,129	
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22 - 6/30/23	1,845,421	1,845,421	(1,845,421)	1,845,421	(2,257)	(435)	1,845,421	
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	2,257	2,257	(2,257)	2,257	(1,845,421)	(435)	2,257	
Total General Fund				16,014,541	(1,629,930)	16,014,541	(1,565,958)	(1,266,347)	19,108,529	
Special Revenue Fund:										
School Climate Change Pilot	N/A	4/1/23-6/30/23	6,660	6,660		6,660	(6,660)		6,660	
School Climate Change Pilot	N/A		6,660	6,660		6,660	(6,660)		6,660	
Total Special Revenue Fund										
Total NJ Department of Education				16,021,201	(1,629,930)	16,021,201	(1,565,958)	(1,266,347)	19,115,189	
New Jersey Department of Agriculture:										
Food Service Fund:										
State School Lunch Program (State Share)	23-100-010-3350-023	7/1/22 - 6/30/23	6,674	6,239	(1,025)	6,239	(6,674)	(435)	6,674	
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21 - 6/30/22	15,485	1,025	(1,025)	1,025	(6,674)	(435)	15,485	
COVID-19 Seamless Summer Option	22-100-010-3350-023		15,485	1,025	(1,025)	1,025	(6,674)	(435)	15,485	
Total NJ Department of Agriculture				7,264	(1,025)	7,264	(6,674)	(435)	22,159	

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Balance at June 30, 2023		Memo	
				Budgetary Accounts Receivable	Cash Received	GAAP Accounts Receivable	Budgetary Expenditures	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund:									
NJ Dept of Community Affairs:									
Local Recreational Improvement Grant	2023-04960-0763	1/1/23-6/30/23	\$ 70,000			\$ (70,000)	\$	(70,000)	\$ 70,000
NJ School Development Authority:									
Emergent and Capital Maintenance Needs	N/A	7/1/22-6/30/23	44,820			(44,820)	\$	(4,357)	44,820
Total Special Revenue Fund									
						(114,820)		(114,820)	114,820
Total State Awards Subject to Single Audit Determination									
						\$ (1,630,955)	\$ 16,028,465	\$ (1,381,602)	\$ 19,252,168
Less: State Awards Not Subject to Single Audit Major Program Determination									
On-Behalf TPAF Pension System Contributions:									
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22 - 6/30/23	6,928,760				\$	6,928,760	
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	96,129					96,129	
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22 - 6/30/23	1,845,421					1,845,421	
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22 - 6/30/23	2,257					2,257	
Subtotal - On-Behalf TPAF Pension System Contributions									
								8,872,567	
Total State Awards Subject to Single Audit Major Program Determination									
								\$ (6,906,545)	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Washington Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$95,491 for the General Fund, and (\$88,964) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

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

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

	Federal	State	Total
General Fund	\$ 22,113	\$ 15,746,449	\$ 15,768,562
Special Revenue Fund	1,083,084	7,507	1,090,591
Food Service Fund	244,200	6,674	250,874
Total Awards	\$ 1,349,397	\$ 15,760,630	\$ 17,110,027

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers’ share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Auditors' Results:

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

	Assistance Listing Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Preschool	84.173	7/1/22-9/30/23	\$ 27,789	\$ 25,509
I.D.E.A. Part B, Basic	84.027A	7/1/22-9/30/23	513,883	513,883
COVID-19 - ARP - I.D.E.A. Part B, Basic	84.027X	7/1/22-9/30/23	82,507	79,624

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>State:</u>				
General State Aid:				
Categorical Special Education Aid	23-495-034-5120-089	7/1/22 - 6/30/23	\$ 1,591,751	\$ 1,591,751
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	1,927,075	1,927,075
Categorical Security Aid	23-495-034-5120-084	7/1/22 - 6/30/23	176,840	176,840
Supplemental Stabilization Aid	23-495-034-5120-128	7/1/22 - 6/30/23	308,550	308,550

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(Continued)

Summary of Auditors' Results (Cont'd)

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Status of Prior Year Findings:

There were no prior year recommendations.