

**SCHOOL DISTRICT**  
**OF**  
**WASHINGTON TOWNSHIP**

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

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

# **Annual Comprehensive**

## **Financial Report**

**of the**

**Washington Township School District**

**Board of Education**

**Washington, New Jersey**

**For the Fiscal Year Ending June 30, 2023**

**Prepared by**

**Washington Township School District**

**Board of Education**

**Finance Department**

# OUTLINE OF ACFR

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## **Introductory Section**



Jean Flynn  
Business Administrator  
District Central Office  
Old Schoolhouse  
One East Front Street  
Washington, NJ 07882  
908 689-1119 x1606

Keith T. Neuhs  
Superintendent  
District Central Office  
Old Schoolhouse  
One East Front Street  
Washington, NJ 07882  
908 689-1119 x1602

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

Dear Board Members:

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

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

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

The District provides a full range of educational services appropriate to grade levels PreK through sixth grade. These include regular, as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 386 students, which is fifteen students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.



Resident Enrollment  
6/30/2023

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
6/30/23	386	3.7% decrease
6/30/22	401	1.8% increase
6/30/21	394	6.0% decrease
6/30/20	419	.4% decrease
6/30/19	421	7.0% decrease
6/30/18	453	3.0% decrease
6/30/17	467	4.5% decrease
6/30/16	489	6.1% decrease
6/30/15	521	4.9% decrease
6/30/14	548	8.7% decrease
6/30/13	600	0.6% decrease

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

**3. MAJOR INITIATIVES:** The Washington Township Board of Education remains dedicated to enhancing student achievement and promoting academic excellence. In alignment with this commitment, the initiatives implemented during the 2022-23 school year underscored the Board's focus on student welfare.

The district continued its efforts to provide students with relevant technology, procuring updated iPads for student use and new Newline Touch Boards for classrooms. The district's commitment to staying technologically current is evident in its annual review of technology needs, ensuring the integration of new devices each year.

In prioritizing the safety and well-being of both students and staff, the district made substantial investments in its facilities. Notable improvements included the installation of modern HVAC units in Port Colden School, funded through ESSER resources, as well as the installation of new urinals, toilets, supported by Clean Energy Grant funds. The district ensured accessibility by installing a new wheelchair lift at Port Colden School.

Furthermore, the Board upheld its commitment to student safety by endorsing the hiring of full-time School Resource Officers for each building. These measures collectively reflect the district's dedication to fostering a secure and conducive learning environment for all students and staff members.

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

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

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

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

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

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

**7. FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service revenues for the fiscal year ended June 30, 2023, and the amount and percentage of increases in relation to prior year revenues.

**Revenues:**

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local	\$6,986,377	62.05%	\$24,499	.35%
State	3,726,593	33.10%	(117,793)	-3.06%
Federal	546,074	4.85%	79,820	17.12%
<b>Total</b>	<b>\$11,259,044</b>	<b>100.00%</b>	<b>(\$13,477)</b>	<b>-.12%</b>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2023 and the percentage of increases and decreases in relation to prior year amounts.

**Expenditures:**

<u>Classification</u>	<u>Amount</u>	<u>Percent of</u>	<u>Increase(Decrease)</u>	
		<u>Total</u>	<u>Amount</u>	<u>Percent</u>
Current Expense				
Instruction	\$3,383,792	29.41%	\$152,249	4.71%
Undistributed	6,999,812	60.84%	(146,089)	-2.04%
<b>Total</b>	<b>10,383,604</b>	<b>90.25%</b>	<b>6,160</b>	<b>0.06%</b>
Capital Outlay	533,983	4.64%	49,095	10.13%
Debt Service	-		-	
Special Revenue	587,897	5.11%	95,294	19.34%
<b>Total</b>	<b>\$11,505,484</b>	<b>100.00%</b>	<b>\$150,549</b>	<b>1.33%</b>

**8. DEBT ADMINISTRATION:** On June 30, 2023, the District's had no outstanding debt issues.

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

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

**11. OTHER INFORMATION:**


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

**12. ACKNOWLEDGMENTS:**

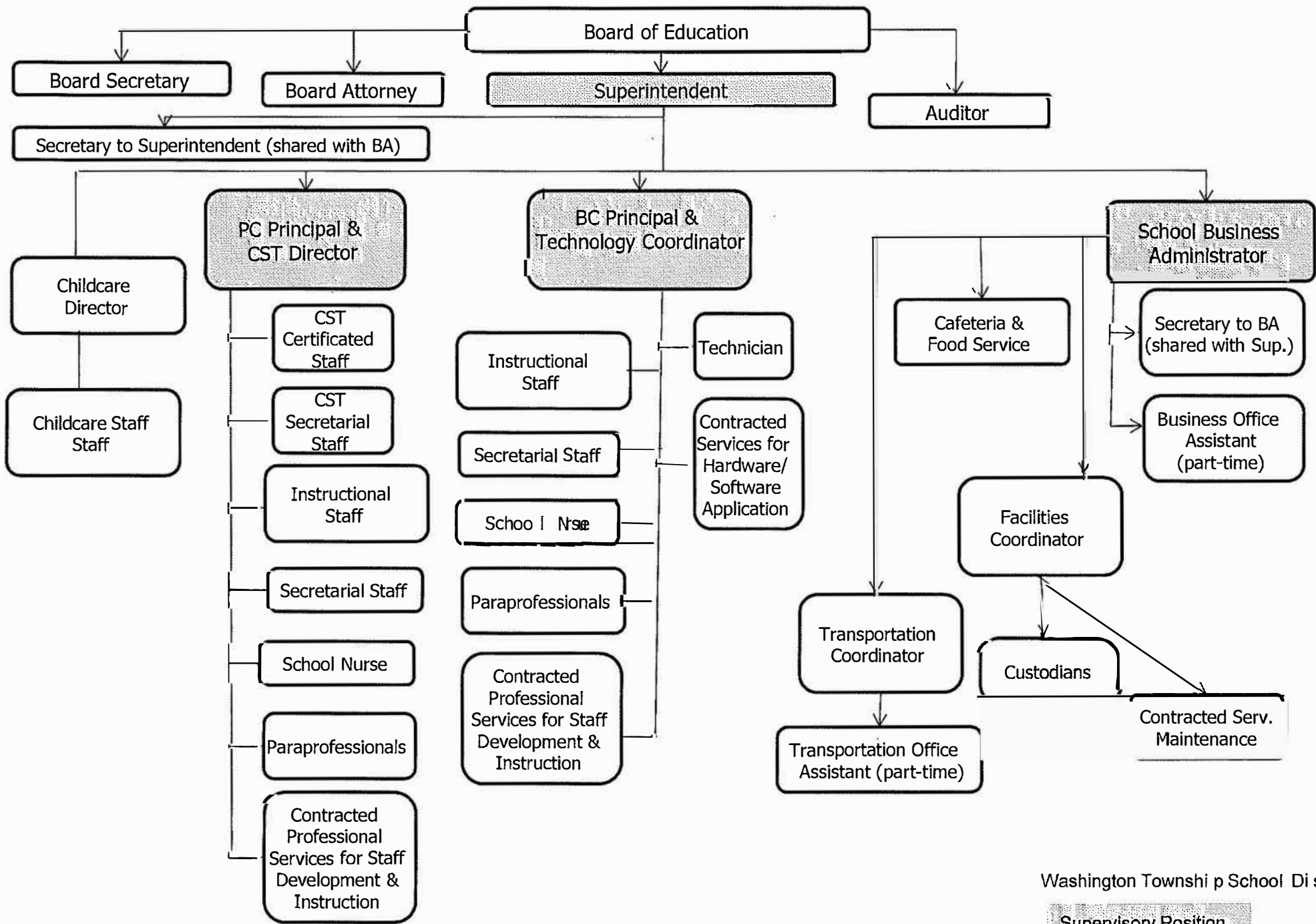
We would like to express our appreciation to the members of the Washington Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the

school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial accounting and secretarial staff.

Respectfully submitted,

Signature:  \_\_\_\_\_  
Business Administrator

Signature:  \_\_\_\_\_  
Superintendent/CSA



Washington Township School District

Supervisory Position

**WASHINGTON TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2023**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Karen Graf, President	2025
Edward S. Kemp, Jr., Vice-President	2023
Kristopher Eisner	2024
Patrick Rock	2024
Kimberley Morris	2025
Nick Riess	2023
Jennifer Knittel	2024

**Other Officials**

Keith T. Neuhs, Superintendent

Jean Flynn, Board Secretary/School Business Administrator

Nathanya Simon, Attorney

**WASHINGTON TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

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

**AUDIT FIRM**

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

**ATTORNEY**

**Scarinci & Hollenbeck LLC  
150 Clove Road  
9th Floor  
Little Falls, New Jersey 07424**

**OFFICIAL DEPOSITORY**

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

## **Financial Section**



# **Independent Auditor's Report**



# **ARDITO & COMPANY LLC**

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

Anthony Ardito, CPA, RMA, CMFO, PSA

## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Township School District Board of Education, as of and for the year ended June 30, 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 Washington Township School District Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

-Continued-

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and ***Government Auditing Standards***, we:

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* the District's internal control over financial reporting and compliance.

*Ardito & Company LLC*

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

***Anthony Ardito***

Anthony Ardito

Certified Public Accountant

Licensed Public School Accountant No. 2369

ARDITO & COMPANY LLC

Frenchtown, New Jersey

October 26, 2023

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

The discussion and analysis of Washington Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2023 are as follows:

- ◆ In total, Net Position increased \$555,615 which represents a 17.0% increase from 2022.
- ◆ General revenues accounted for \$6,863,808 in revenue or 66.2% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,496,891 or 33.8% of total revenues of \$10,360,699.
- ◆ Total assets of governmental activities decreased by \$232,690, as cash and cash equivalents increased by \$60,314, receivables decreased by \$559,479, and capital assets increased by \$264,950.
- ◆ The School District had \$9,805,084 in expenses; only \$3,496,891 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$6,863,808 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$10,666,284 in revenues and \$10,917,587 in expenditures. The General Fund's surplus balance decreased \$251,303 over 2022, which compares favorably to the budgeted decrease of \$828,297.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2023?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

**Reporting the School District’s Most Significant Funds**

**Fund Financial Statements**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Funds**

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

**The School District as a Whole**

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

Table 1 provides a summary of the School District’s Net Position for 2023 compared to 2022.

**Table 1  
Net Position**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current and Other Assets	\$ 2,163,049	\$ 2,660,689
Capital Assets	3,491,123	3,226,173
<b>Total Assets</b>	<u>5,654,172</u>	<u>5,886,862</u>
<b>Deferred Outflows of Resources</b>	<u>226,141</u>	<u>256,406</u>
<b>Liabilities</b>		
Long-Term Liabilities	40,598	47,643
Other Liabilities	1,543,669	1,638,930
<b>Total Liabilities</b>	<u>1,584,267</u>	<u>1,686,573</u>
<b>Deferred Inflows of Resources</b>	<u>467,374</u>	<u>1,191,324</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	3,491,123	3,226,173
Restricted	1,117,029	1,578,988
Unrestricted	(787,166)	(1,539,790)
<b>Total Net Position</b>	<u>\$ 3,820,986</u>	<u>\$ 3,265,371</u>



WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
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Total assets of governmental activities decreased by \$232,690, as cash and cash equivalents increased by \$60,314, receivables decreased by \$559,479, and capital assets increased by \$264,950.

The cash increase was mainly due to collection of prior year federal award receivables. Receivables decreased due to federal COVID grants collected but expended in the prior year, and the increase in capital assets was due additions, net of depreciation expense.

Table 2 shows the changes in Net Position from fiscal year 2022.

**Table 2**  
**Changes in Net Position**

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 218,960	\$ 156,333
Operating Grants and Contributions	3,277,931	4,205,379
General Revenues:		
Property Taxes	6,832,361	6,648,685
Investment Earnings	6,547	547
Other	<u>24,900</u>	<u>197,866</u>
<b>Total Revenues</b>	<u>10,360,699</u>	<u>11,208,810</u>
<b>Program Expenses</b>		
Instruction	4,634,526	4,856,783
Support Services:		
Tuition	67,615	66,051
Pupils and Instructional Staff	1,812,354	2,066,154
General Administration, School Administration, Business	1,022,102	1,102,450
Operations and Maintenance of Facilities	1,134,326	1,338,428
Pupil Transportation	674,601	725,226
Business-Type Activities	184,688	247,705
Interest and Fiscal Charges	<u>274,872</u>	<u>232,414</u>
<b>Total Expenses</b>	<u>9,805,084</u>	<u>10,635,211</u>
Increase in Net Position	<u>\$ 555,615</u>	<u>\$ 573,599</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 65.9% percent of revenues for governmental activities for the Washington Township School District for the fiscal year 2023.

Instruction comprises 47.3% of district expenses. Support services expenses make up 48.0% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
Instruction	\$ 4,634,526	\$ 2,906,528	\$4,856,783	\$2,809,278
Support Services:				
Tuition	67,615	48,747	66,051	43,566
Pupils and Instructional Staff	1,812,354	1,057,015	2,066,154	1,163,354
General Admin., School Admin., Business	1,022,102	736,878	1,102,450	727,156
Operation and Maintenance of Facilities	1,134,326	817,785	1,338,428	882,803
Pupil Transportation	674,601	486,349	725,226	478,346
Business-Type Activities	184,688	(19,981)	247,705	(63,418)
Interest and Fiscal Charges	<u>274,872</u>	<u>274,872</u>	<u>232,414</u>	<u>232,414</u>
<b>Total Expenses</b>	<u>\$ 9,805,084</u>	<u>\$ 6,308,193</u>	<u>\$ 10,635,211</u>	<u>\$ 6,273,499</u>

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

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

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

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

The dependence upon tax revenues is apparent. Over 62.7% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 66.8%. The community, as a whole, is the primary support for the Washington Township School District.

**The School District's Funds**

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$11,259,044 and expenditures of \$11,505,484. The General Fund's surplus balance decreased \$251,303 over 2022, which compares favorably to the budgeted decrease of \$828,297.

**General Fund Budgeting Highlights**

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

During the course of the fiscal 2023 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$8,411,935, \$301,330 over original budgeted estimates of \$8,110,605. This difference was due primarily to increases in extraordinary aid and supplemental stabilization aid.

General fund revenues fell short of expenditures by \$284,923. Again this deficit compares to a budgeted deficit of \$828,297.

Overall general fund balance (budget basis) was \$1,865,503, and amounts ear-marked and reserved for future purposes were \$1,338,959, creating a surplus in unreserved fund balance of \$526,544. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

**Capital Assets**

At the end of the fiscal year 2023, the School District had \$3,470,717 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2023 balances compared to 2022.

WASHINGTON TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
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**Table 4**  
**Capital Assets (Net of Depreciation) at June 30,**

	<u>2023</u>	<u>2022</u>
Land	\$ 23,000	\$ 23,000
Land Improvements	52,242	72,852
Buildings and Improvements	3,353,166	2,964,908
Machinery and Equipment	<u>42,309</u>	<u>143,447</u>
 Totals	 <u>\$ 3,470,717</u>	 <u>\$ 3,204,207</u>

Overall governmental fund capital assets increased \$266,510 from fiscal year 2022 to fiscal year 2023. The increase in capital assets was due to capital additions, net of depreciation expense for the year.

Capital improvements of \$755,819 were purchased during fiscal year 2023 and included HVAC projects.

**Debt Administration**

At June 30, 2023, the School District had \$40,598 as outstanding long term debt. Of this amount, \$40,598 is for compensated absences.

At June 30, 2023, the School District's overall legal debt margin was \$24,116,787 and the unvoted debt margin was the same.

**For the Future**

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**Contacting the School District's Financial Management**

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

## **Basic Financial Statements**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2023

	GOVERNMENTAL BUSINESS-TYPE		TOTAL
	ACTIVITIES	ACTIVITIES	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,731,492	\$ 93,532	\$ 1,825,024
Receivables, Net	324,685	2,800	327,485
Interfund Receivable	2,800		2,800
Inventory		7,740	7,740
Capital Assets, Net (Note 6):	3,470,717	20,406	3,491,123
<b>Total Assets</b>	<b>5,529,694</b>	<b>124,478</b>	<b>5,654,172</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	226,141		226,141
<b>LIABILITIES</b>			
Accounts Payable	-		-
Payroll Deductions and Withholdings Payable	8,103		8,103
Unemployment Compensation Claims Payable	25,692		25,692
Interfund Payable		2,800	2,800
Unearned Revenue	256,394	4,007	260,401
Net Pension Liability (Note 8)	1,246,673		1,246,673
Noncurrent Liabilities (Note 7):			
Due Within One Year			
Due Beyond One Year	40,598		40,598
<b>Total Liabilities</b>	<b>1,577,460</b>	<b>6,807</b>	<b>1,584,267</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	467,374		467,374
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	3,470,717	20,406	3,491,123
Restricted for:			
Capital Reserve	360,392		360,392
Maintenance Reserve	324,650		324,650
Other	431,987		431,987
Unrestricted	(876,745)	89,579	(787,166)
<b>Total Net Position</b>	<b>\$ 3,711,001</b>	<b>\$ 109,985</b>	<b>\$ 3,820,986</b>

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



WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			
Governmental Activities:							
Instruction:							
Regular	\$ 3,272,011	\$ 92,760	\$ 1,255,018		\$ (1,924,233)		\$ (1,924,233)
Special Education	997,220		278,282		(718,938)		(718,938)
Other Special Instruction	365,295		101,938		(263,357)		(263,357)
Support Services:							
Tuition	67,615		18,868		(48,747)		(48,747)
Student & Instruction Related Services	1,812,354	29,809	725,530		(1,057,015)		(1,057,015)
School Administrative Services	341,903		95,410		(246,493)		(246,493)
General and Business Admin. Services	680,199		189,814		(490,385)		(490,385)
Plant Operations and Maintenance	1,134,326		316,541		(817,785)		(817,785)
Pupil Transportation	674,601		188,252		(486,349)		(486,349)
Unallocated Depreciation	274,872				(274,872)		(274,872)
<b>Total Governmental Activities</b>	<b>9,620,396</b>	<b>122,569</b>	<b>3,169,653</b>		<b>(6,328,174)</b>		<b>(6,328,174)</b>
Business-Type Activities:							
Child Care	-	-			\$ -		-
Food Service	184,688	96,391	108,278			19,981	19,981
<b>Total Business-Type Activities</b>	<b>184,688</b>	<b>96,391</b>	<b>108,278</b>	<b>-</b>	<b>-</b>	<b>19,981</b>	<b>19,981</b>
<b>Total Primary Government</b>	<b>\$ 9,805,084</b>	<b>\$ 218,960</b>	<b>\$ 3,277,931</b>		<b>\$ (6,328,174)</b>	<b>\$ 19,981</b>	<b>\$ (6,308,193)</b>
General Revenues:							
Taxes:							
					\$ 6,832,361		\$ 6,832,361
					6,547		6,547
					24,900		24,900
					6,863,808		6,863,808
					535,634	\$ 19,981	555,615
					3,175,367	90,004	3,265,371
					3,175,367	90,004	3,265,371
					<b>\$ 3,711,001</b>	<b>\$ 109,985</b>	<b>\$ 3,820,986</b>

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

## **FUND FINANCIAL STATEMENTS**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2023

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
Cash and Cash Equivalents	\$ 1,639,054	\$ 92,438	\$ 1,731,492
Interfund Receivable	2,800		2,800
Receivables from Other Governments	144,195	180,490	324,685
<b>TOTAL ASSETS</b>	<b>\$ 1,786,049</b>	<b>\$ 272,928</b>	<b>\$ 2,058,977</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Interfund Payable			\$ -
Payroll Deductions and Withholdings Payable	\$ 8,103		8,103
Unemployment Compensation Claims Payable	25,692		25,692
Unearned Revenue		\$ 256,394	256,394
<b>Total Liabilities</b>	<b>33,795</b>	<b>256,394</b>	<b>290,189</b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Capital Reserve Account	\$ 360,392		360,392
Maintenance Reserve	324,650		324,650
Unemployment Compensation	150,877		150,877
Student Activities		16,534	16,534
<u>Assigned to:</u>			
Year-End Encumbrances	238,464		238,464
Designated for Subsequent Year's Expenditures	264,576		264,576
<u>Unassigned:</u>			
General Fund - Undesignated	413,295		413,295
<b>Total Fund Balances</b>	<b>1,752,254</b>	<b>16,534</b>	<b>1,768,788</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,786,049</b>	<b>\$ 272,928</b>	<b>\$ 2,058,977</b>

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

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

The cost of the assets is \$10,621,098 and the accumulated depreciation is \$7,150,381.

\$ 3,470,717

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

226,141

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

(467,374)

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

(1,246,673)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).

(40,598)

Net Position of governmental activities

\$ 3,711,001

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
<b>Local sources:</b>			
Local Tax Levy	\$ 6,832,361		\$ 6,832,361
Transportation	92,760		92,760
Miscellaneous	30,218	\$ 31,038	61,256
<b>Total - Local Sources</b>	<b>6,955,339</b>	<b>31,038</b>	<b>6,986,377</b>
<b>State Sources</b>	<b>3,710,945</b>	<b>15,648</b>	<b>3,726,593</b>
<b>Federal Sources</b>		<b>546,074</b>	<b>546,074</b>
<b>Total Revenues</b>	<b>10,666,284</b>	<b>592,760</b>	<b>11,259,044</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Regular Instruction	2,309,418	146,280	2,455,698
Special Education Instruction	786,331		786,331
Other Special Instruction	288,043		288,043
Support services and undistributed costs:			
Tuition	53,316		53,316
Student and Instruction Related Services	1,209,301	219,781	1,429,082
School Administrative Services	211,356		211,356
Other Administrative Services	536,352		536,352
Plant Operations and Maintenance	862,604		862,604
Pupil Transportation	531,938		531,938
Unallocated Benefits	3,594,945		3,594,945
Transfer to Charter School	-		-
<b>Capital Outlay</b>	<b>533,983</b>	<b>221,836</b>	<b>755,819</b>
<b>Total Expenditures</b>	<b>10,917,587</b>	<b>587,897</b>	<b>11,505,484</b>
Excess (Deficiency) of Revenues Over Expenditures	<u>(251,303)</u>	<u>4,863</u>	<u>(246,440)</u>
Net Change in Fund Balances	(251,303)	4,863	(246,440)
Fund Balance—July 1	2,003,557	11,671	2,015,228
Prior Period Adjustment		-	-
Fund Balance—July 1 (Restated)	<u>2,003,557</u>	<u>11,671</u>	<u>2,015,228</u>
<b>Fund Balance—June 30</b>	<b>\$ 1,752,254</b>	<b>\$ 16,534</b>	<b>\$ 1,768,788</b>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** **\$ (246,440)**

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

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

Depreciation Expense	\$ (489,309)	
Capital Outlays	<u>755,819</u>	266,510

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

508,519

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

7,045

**Change in Net Position of Governmental Activities** **\$ 535,634**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

June 30, 2023

		<b>Business-Type Activities- Enterprise Funds</b>	
		<b>Food Service</b>	<b>Totals</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents		\$ 93,532	\$ 93,532
Accounts Receivable		2,800	2,800
Inventories		7,740	7,740
<b>Total Current Assets</b>		<b>104,072</b>	<b>104,072</b>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment		126,200	126,200
Less Accumulated Depreciation		(105,794)	(105,794)
<b>Total Noncurrent Assets</b>		<b>20,406</b>	<b>20,406</b>
	<b>Total Assets</b>	<b>124,478</b>	<b>124,478</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Due Current Fund		2,800	2,800
Accounts Payable		7,686	
Deferred Revenue		4,007	4,007
<b>Total Current Liabilities</b>		<b>14,493</b>	<b>6,807</b>
	<b>Total Liabilities</b>	<b>14,493</b>	<b>6,807</b>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt		20,406	20,406
Unrestricted		89,579	89,579
<b>Total Net Position</b>		<b>\$ 109,985</b>	<b>\$ 109,985</b>

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
**PROPRIETARY FUNDS**  
 FOR THE YEAR ENDED JUNE 30, 2023

	<b>Business-type Activities- Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 72,853	\$ 72,853
Daily Sales - Non-Reimb. Programs	23,538	23,538
Miscellaneous		
<b>Total Operating Revenues</b>	<b>96,391</b>	<b>96,391</b>
<b>Operating Expenses:</b>		
Cost of Sales - Reimbursable Programs	60,813	60,813
Cost of Sales - Non-reimbursable Programs	9,961	9,961
Salaries	65,881	65,881
Employee Benefits	19,494	19,494
Other Purchased Professional Services	10,678	10,678
Miscellaneous	11,387	11,387
Depreciation	6,474	6,474
<b>Total Operating Expenses</b>	<b>184,688</b>	<b>184,688</b>
Operating Income (Loss)	(88,297)	(88,297)
<b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	2,671	2,671
Federal Sources:		
National School Lunch Program	52,495	52,495
National School Breakfast Program	11,384	11,384
Supply Chain Assistance	32,329	32,329
Food Distribution Program	9,399	9,399
<b>Total Nonoperating Revenues (Expenses)</b>	<b>108,278</b>	<b>108,278</b>
Change in Net Position	19,981	19,981
Total Net Position—Beginning	90,004	90,004
<b>Total Net Position—Ending</b>	<b>\$ 109,985</b>	<b>\$ 109,985</b>

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

## WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2023

	<b>Business-Type Activities- Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 96,391	\$ 96,391
Payments to Employees	(65,881)	(65,881)
Payments for Employee Benefits	(19,494)	(19,494)
Payments to Suppliers	(75,227)	(75,227)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(64,211)</b>	<b>(64,211)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	2,837	2,837
Federal Sources	109,520	109,520
Operating Transfers to Other Funds	(13,478)	(13,478)
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>98,879</b>	<b>98,879</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Fixed Asset Additions	(4,916)	(4,916)
<b>Net Cash Provided by (used for) Capital Financing Activities</b>	<b>(4,916)</b>	<b>(4,916)</b>
Net Increase (Decrease) in Cash and Cash Equivalents	29,752	29,752
Balances—Beginning of Year	63,780	63,780
<b>Balances—End of Year</b>	<b>\$ 93,532</b>	<b>\$ 93,532</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (88,297)	\$ (88,297)
Provided by (used for) Operating Activities:		
Depreciation and Net Amortization	6,474	6,474
Federal Commodities	9,399	9,399
Interest Income	-	-
(Increase) Decrease in Accounts Receivable	-	-
(Increase) Decrease in Inventories	(1,524)	(1,524)
Increase (Decrease) in Accounts Payable	9,737	9,737
Total Adjustments	24,086	24,086
Net Cash Provided by (used for) Operating Activities	<b>\$ (64,211)</b>	<b>\$ (64,211)</b>

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



# **Notes to Financial Statements**

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the ACFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, GASB No. 68, Accounting for Pensions, an amendment of GASB No. 27, GASB No. 75, Accounting for OPEB, and GASB No. 84, Fiduciary Activities. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2022.

**A. Reporting Entity:**

The Washington Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of seven members elected to three-year terms. The purpose of the district is to educate students in grades K-6. The Washington Township School District had an approximate enrollment at June 30, 2023, of 386 students.

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation, Basis of Accounting:**

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

**Basis of Presentation**

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

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

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

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**GOVERNMENTAL FUNDS (Continued)**

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

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

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

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Additionally, the District reports the following fund type:

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

**Measurement Focus - Basis of Accounting**

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

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgets/Budgetary Control:**

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

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

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

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

**D. Encumbrance Accounting:**

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

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

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

**Inventories:**

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

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

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

**Compensated Absences:**

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

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

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

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

**Deferred Revenue:**

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

**Accrued Liabilities and Long-Term Obligations:**

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



WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

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

**Fund Balance Reserves:**

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

**Revenues—Exchange and Nonexchange Transactions**

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities and Equity (Continued):**

**Operating Revenues and Expenses:**

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

**Allocation of Indirect Expenses:**

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

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the municipality would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2023, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	<u>Cash and Cash Equivalents (A-1)</u>
Checking Accounts	<u>\$ 1,825,024</u>
	<u><u>\$ 1,825,024</u></u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$1,825,024 and the bank balance was \$1,872,325. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$1,622,325 was covered by collateral pool.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2023, consisted of intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government-Wide Financial Statements
State Aid	\$ 107,726	\$ 107,837
Federal Aid	216,959	219,648
Gross Receivable	<u>\$ 324,685</u>	<u>\$ 327,485</u>
Less: Allow. for Uncollectibles		
Total Receivables, Net	<u>\$ 324,685</u>	<u>\$ 327,485</u>

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2023, consisted of the following:

Food	<u>\$ 7,740</u>
------	-----------------

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

**NOTE 5: DEFERRED BOND ISSUANCE COSTS**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 23,000			\$ 23,000
Total Capital Assets Not Being Depreciated	23,000			23,000
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	462,038			462,038
Buildings and Building Improvements	7,533,861	\$ 755,819		8,289,680
Machinery and Equipment	1,846,380	-		1,846,380
Total at Historical Cost	9,865,279	755,819		10,621,098
Less Accumulated Depreciation for:				
Land Improvements	(389,186)	(20,610)		(409,796)
Building and Improvements	(4,568,953)	(367,561)		(4,936,514)
Equipment	(1,702,933)	(101,138)		(1,804,071)
Total Accumulated Depreciation	(6,661,072)	(489,309)		(7,150,381)
	3,204,207	266,510		3,470,717
<b>Government Activity Capital Assets, Net</b>	<b>\$ 3,204,207</b>	<b>\$ 266,510</b>		<b>\$ 3,470,717</b>

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 124,357
School Administrative Services	58,242
Plant Operation and Maintenance	31,838
Unallocated	274,872
Total	<u>\$ 489,309</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: LONG-TERM OBLIGATIONS**

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

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance <u>7/1/22</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/23</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$ 47,643		\$ (7,045)	\$ 40,598	
<b>Total</b>	<b>\$ 47,643</b>		<b>\$ (7,045)</b>	<b>\$ 40,598</b>	

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

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

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

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

For the year ended June 30, 2023, it is not necessary for the Board to establish a liability for arbitrage rebate.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7: LONG-TERM OBLIGATIONS (Continued)**

**B. Debt Service Requirements:**

As of June 30, 2023, there are no outstanding debt obligations.

As of June 30, 2023, the District had no authorized but not issued bonds.

**NOTE 8: PENSION PLANS**

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

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

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$18,934,465 as measured on June 30, 2022 and \$18,074,308 measured on June 30, 2021.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

For the year ended June 30, 2023, the District recognized pension expense of \$509,579 and revenue of \$509,579 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2023 is based upon changes in the collective net pension liability with a measurement period of June 30, 2021 through June 30, 2022. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2021 and June 30, 2022.

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

	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$6,356,228,800	\$4,996,491,160
Collective deferred inflows of resources	\$27,175,330,929	\$19,532,696,776
Collective net pension liability (Nonemployer-State of New Jersey)	\$48,075,188,642	\$51,594,415,806
State's portion of the net pension liability that was associated with the district	\$18,074,308	\$18,934,465
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.037596%	0.036699%

*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:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-5.65%
Investment Rate of Return	7.00%

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 BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

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

Long-Term Expected Rate of Return- In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.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 Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2022, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u> (6.00%)	<u>Current Discount</u> Rate (7.00%)	<u>1% Increase</u> (8.00%)
State's Collective Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2022 was \$24,640,530,532.

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

	<u>Year Ended June 30:</u>
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	<u>(1,687,721,983)</u>
Total	<u>(\$14,678,515,482)</u>

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$1,195,044,307
Interest on total pension liability	5,146,965,905
Member contributions	(907,326,471)
Administrative expense	12,635,916
Expected investment return net of investment expenses	(1,983,153,368)
Pension expense related to specific liabilities of individual employers	(395,540)
Recognition (amortization) of deferred inflows/outflows:	
Differences between expected and actual experience	200,689,404
Changes in assumptions	(2,396,459,882)
Difference between projected and actual investment earnings on pension plan investments	<u>122,761,073</u>
Total pension expense	<u>\$1,390,761,344</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

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

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

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

At June 30, 2023, the District reported a liability of \$1,246,673 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 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 total pension liability for the June 30, 2021 valuation was determined by an experience study for the period July 1, 2018 to June 30, 2021. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021. At June 30, 2022, the District's proportion was 0.00826% which was an decrease of 0.0007% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense/(benefit) of (\$111,339). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 8,998	\$ 18,597
Changes of assumptions	3,863	437,520
Net difference between projected and actual earnings on pension plan investments	51,599	-
Changes in proportion and differences between District contributions and proportionate share of contributions	57,508	11,257
District contributions subsequent to the measurement date	104,173	
Total	<u>\$ 226,141</u>	<u>\$ 467,374</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

\$104,173 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability measured as of June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>	
	2023	(\$283,800)
	2024	(144,587)
	2025	(70,512)
	2026	153,831
	2027	(338)
	Total	<u>(\$345,406)</u>
	<u>6/30/2022</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$1,164,738,169	\$1,660,772,008
Collective deferred inflows of resources	8,339,123,762	3,236,303,935
Collective net pension liability (Non State - Local Group)	\$11,846,496,875	\$15,091,376,611
District's portion of net pension liability	\$1,061,507	\$1,246,673
District's proportion %	0.00896051%	0.00826083%

*Actuarial assumptions* - The collective 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:

Inflation:	
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 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, 2021.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US devel.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 Yeild	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk mitigation	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 on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current Discount</u> <u>Rate (7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net pension liability	\$ 1,601,610	\$1,246,673	\$ 944,608

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2022 are as follows:

Service cost	\$74,104
Interest on total Pension liability	297,211
Benefit changes	862
Member contributions	(61,799)
Administrative expens	1,327
Expected investment return net of investment expenses	(198,398)
Pension expense related to specific liabilities of individual employers	(1,065)
Recognition (amortization) of deferred inflows/outflows:	0
Differences between expected and actual experience	3,518
Changes in assumptions	(222,167)
Difference between projected and actual investment earnings on pension plan investments	<u>(4,934)</u>
Total pension expense	<u>(\$111,339)</u>

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

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

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

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

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

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

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

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

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

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

Three-Year Trend Information for PERS

Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2023	\$104,173	100 %	-0-
6/30/2022	\$104,938	100	-0-
6/30/2021	\$105,227	100	-0-

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 8: PENSION PLANS (Continued)**

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2023	\$1,511,463	100 %	-0-
6/30/2022	\$1,532,748	100	-0-
6/30/2021	\$1,114,520	100	-0-

During the fiscal year ended June 30, 2023, the State of New Jersey did contribute \$1,908,317 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$312,412 during the year ended June 30, 2023, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**Note 9: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

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

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

**State Health Benefit State Retired Employees Plan:**

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion.



WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for “pay-as-you-go” PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State’s contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**Total Nonemployer OPEB Liability**

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

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

*Actuarial assumptions and other imputes.* The June 30, 2023 GASB 75 reporting is based on a measurement date of June 30, 2022. 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. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF, PERS and PFRS. 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:

Total Nonemployer OPEB Liability:        \$            50,646,462,966

	TPAF/ABP	PERS	PFRS
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

Based on service years

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

**(a) 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 trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**(b) Discount Rate**

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

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

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

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2021</b>	<b>\$60,007,650,970</b>
<u>Changes for the year:</u>	
Service Cost	2,770,618,025
Interest on the Total OPEB Liability	1,342,187,139
Change in Benefit Terms	-
Differences Between Expected and Actual Experience	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Gross Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
Net changes	<u>(9,361,188,004)</u>
<b>The State's Total OPEB Liability Balance at 6/30/2022</b>	<b><u>\$50,646,462,966</u></b>
<b>The State's total OPEB liability attributable to the District:</b>	<b>\$21,252,678</b>

Benefit Changes: The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022 and other changes.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

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

		June 30, 2022		
		At 1% Decrease	At Discount Rate	At 1% Increase
		<u>2.54%</u>	<u>3.54%</u>	<u>4.54%</u>
Total OPEB Liability (School Retirees)		\$59,529,589,697	\$50,646,462,966	\$43,527,080,995
		June 30, 2021		
		At 1% Decrease	At Discount Rate	At 1% Increase
		<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Total OPEB Liability (School Retirees)		\$71,879,745,555	\$60,007,650,970	\$50,659,089,138

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

		June 30, 2022		
		At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)		\$41,862,397,291	\$50,646,462,966	\$62,184,866,635
		June 30, 2021		
		At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)		\$48,576,388,417	\$60,007,650,970	\$75,358,991,782

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Note 9: POST-RETIREMENT BENEFITS-(Continued)**

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

For the year ended June 30, 2022, the board of education recognized OPEB expense and related revenue of \$295,724 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero, and there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$9,042,402,619	\$15,462,950,679
Changes of assumptions or other inputs	<u>8,765,620,577</u>	<u>17,237,289,230</u>
Total	<u>\$17,808,023,196</u>	<u>\$32,700,239,909</u>

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

Year ended June 30:	
2023	(\$2,517,151,602)
2024	(\$2,517,151,602)
2025	(\$2,517,151,602)
2026	(\$2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>(\$14,892,216,713)</u>

**NOTE 10: DEFERRED COMPENSATION**

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

Lincoln Investment Planning  
LIP  
Legend  
Oppenheimer Shareholder

**NOTE 11: COMPENSATED ABSENCES**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 11: COMPENSATED ABSENCES - (Continued)**

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

In the district-wide Statement of Assets, the liabilities whose average maturities are greater than one year should be reported in two components--the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the proprietary fund types.

**NOTE 12: RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Cash Balance</u>
2022-2023	\$1,368	\$9,754	\$3,188	\$176,569
2021-2022	\$41	\$9,371	\$0	\$168,635
2020-2021	\$137	\$9,177	\$968	\$159,223

**NOTE 13: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 14: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$1,752,254 General Fund fund balance at June 30, 2023, \$360,392 has been reserved in the Capital Reserve Account; \$324,650 has been reserved in the Maintenance Reserve Account; \$238,464 is reserved for encumbrances; \$264,576 is reserved for subsequent year's expenditures has been anticipated as revenue for the year ended June 30, 2023; \$150,877 is reserved for unemployment compensation; and \$413,295 is unreserved and undesignated.

**NOTE 15: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$0.

**NOTE 16: CAPITAL RESERVE ACCOUNT**

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

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2022	\$ 1,021,738
Withdrawal	(662,345)
Interest Earned	1,000
Deposits (PL 2007 c.62 (A1)) ; Board Resolution: June 13, 2023	-
Ending Balance, June 30, 2023	<u>\$ 360,393</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 17: MAINTENANCE RESERVE ACCOUNT**

A Maintenance Reserve account was established by the School District Board of Education in fiscal year 2023, for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2022	\$ 327,750
Withdrawal	(155,780)
Deposits (PL 2007 c.62 (A1)) ; Board Resolution: June 13, 2023	<u>152,680</u>
Ending balance June 30, 2023	<u><u>\$ 324,650</u></u>

**NOTE 18: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2023:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,800	-
Enterprise Fund		\$ 2,800
Special Revenue Fund		-
	<u>\$ 2,800</u>	<u>\$ 2,800</u>

The interfund payable in the enterprise fund is due to the general fund for cash advances for the June federal and state lunch subsidies that have not yet been received.

**NOTE 19: UNEARNED REVENUE**

The balance of unearned revenue of \$256,394 is primarily related to unspent portions of federal awards.

**NOTE 20: TAX ABATEMENTS**

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

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**BUDGETARY COMPARISON SCHEDULES**

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 6,832,361		\$ 6,832,361	\$ 6,832,361	-
Transportation	92,760		92,760	92,760	-
Interest Earned on Capital Reserve Funds	1,000		1,000		\$ (1,000)
Miscellaneous	1,000		1,000	30,218	29,218
<b>Total - Local Sources</b>	<b>6,927,121</b>		<b>6,927,121</b>	<b>6,955,339</b>	<b>28,218</b>
<b>State Sources:</b>					
Equalization Aid	484,286		484,286	484,286	
Transportation Aid	258,367		258,367	258,367	
Special Education Aid	351,820		351,820	351,820	
Security Aid	49,011		49,011	49,011	
Supplemental Stabilization Aid				224,213	224,213
Other State Aid	40,000		40,000	88,899	48,899
TPAF Pension (On-Behalf - Non-Budgeted)				1,510,687	1,510,687
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				396,854	396,854
TPAF Pension LTD Insurance (On-Behalf - Non-Budgeted)				776	776
TPAF Social Security (Reimbursed - Non-Budgeted)				312,412	312,412
<b>Total State Sources</b>	<b>1,183,484</b>		<b>1,183,484</b>	<b>3,677,325</b>	<b>2,493,841</b>
<b>TOTAL REVENUES</b>	<b>8,110,605</b>		<b>8,110,605</b>	<b>10,632,664</b>	<b>2,522,059</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

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 Favorable/ (Unfavorable)</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	217,381	22,593	239,974	237,874	2,100
Grades 1-5 - Salaries of Teachers	1,500,248		1,500,248	1,489,948	10,300
Grades 6-8 - Salaries of Teachers	521,671	(15,473)	506,198	448,299	57,899
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	4,000		4,000	1,645	2,355
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	2,100	(100)	2,000	270	1,730
Purchased Technical Services	58,800	419	59,219	57,019	2,200
Other Purchased Services (400-500 series)	3,800	21,121	24,921	23,542	1,379
General Supplies	50,221	1,179	51,400	50,043	1,357
Textbooks	10,000	(10,000)			
Other Objects	4,500	(1,300)	3,200	778	2,422
<b>TOTAL REG. PROGRAMS - INSTRUCTION</b>	<b>2,372,721</b>	<b>18,439</b>	<b>2,391,160</b>	<b>2,309,418</b>	<b>81,742</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	153,920		153,920	151,490	2,430
Other Salaries for Instruction	12,008	27,784	39,792	37,957	1,835
General Supplies	300	(28)	272	62	210
<b>Total Learning and/or Language Disabilities</b>	<b>166,228</b>	<b>27,756</b>	<b>193,984</b>	<b>189,509</b>	<b>4,475</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	114,520	20,000	134,520	131,854	2,666
Other Salaries for Instruction		74,400	74,400	70,251	
General Supplies	200		200		200
<b>Total Resource Room/Resource Center</b>	<b>114,720</b>	<b>94,400</b>	<b>209,120</b>	<b>202,105</b>	<b>7,015</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	315,637		315,637	297,824	17,813
General Supplies	300		300	65	235
<b>Total Resource Room/Resource Center</b>	<b>315,937</b>		<b>315,937</b>	<b>297,889</b>	<b>18,048</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	103,260	(37,553)	65,707	61,266	4,441
Other Salaries for Instruction	27,993	7,137	35,130	35,106	24
General Supplies	100	(82)	18	18	
<b>Total Preschool Disabilities - Part-Time</b>	<b>131,353</b>	<b>(30,498)</b>	<b>100,855</b>	<b>96,390</b>	<b>4,465</b>
<b>Home Instruction:</b>					
Salaries of Teachers	2,000		2,000	438	1,562
<b>Total Home Instruction</b>	<b>2,000</b>		<b>2,000</b>	<b>438</b>	<b>1,562</b>
<b>TOTAL SPECIAL ED. - INSTRUCTION</b>	<b>730,238</b>	<b>91,658</b>	<b>821,896</b>	<b>786,331</b>	<b>35,565</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	293,600		293,600	282,618	10,982
General Supplies	500		500	65	435
<b>Total Basic Skills/Remedial - Instruction</b>	<b>294,100</b>		<b>294,100</b>	<b>282,683</b>	<b>11,417</b>
<b>School Spon.Co/Extra Curricular Actvts.-Instruction:</b>					
Salaries	15,000		15,000	5,360	9,640
General Supplies	2,000		2,000		2,000
<b>Total School Spon.Co/Extra Curricular Actvts.-Instruction</b>	<b>17,000</b>		<b>17,000</b>	<b>5,360</b>	<b>11,640</b>
<b>TOTAL INSTRUCTION</b>	<b>3,414,059</b>	<b>110,097</b>	<b>3,524,156</b>	<b>3,383,792</b>	<b>140,364</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Undistributed Expenditures - Instruction:</b>					
Tuition- Other LEAs		7,281	7,281	7,281	
Tuition- Charter School	73,295	(27,260)	46,035	46,035	
<b>Total Undistributed Expenditures - Instruction</b>	<b>73,295</b>	<b>(19,979)</b>	<b>53,316</b>	<b>53,316</b>	
<b>Attendance and Social Work:</b>					
Salaries	49,209		49,209	45,078	4,131
<b>Total Attendance and Social Work</b>	<b>49,209</b>		<b>49,209</b>	<b>45,078</b>	<b>4,131</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Health Services:</b>					
Salaries	153,270	13,667	166,937	159,326	7,611
Purchased Professional and Technical Services	2,500		2,500	1,000	1,500
Supplies and Materials	5,300	(1,298)	4,002	2,688	1,314
<b>Total Health Services</b>	<b>161,070</b>	<b>12,369</b>	<b>173,439</b>	<b>163,014</b>	<b>10,425</b>
<b>Other Supp. Services Students-Related Serv.:</b>					
Salaries	237,212	(2,749)	234,463	226,449	8,014
Purchased Professional - Educational Services		6,339	6,339	6,339	
Misc. Purchased Services (400-500 series)	200		200		200
Supplies and Materials	800		800	203	597
<b>Total Other Supp. Serv. Students-Related Serv.</b>	<b>238,212</b>	<b>3,590</b>	<b>241,802</b>	<b>232,991</b>	<b>8,811</b>
<b>Other Supp. Services Students-Extra.Services:</b>					
Salaries	256,746	(113,211)	143,535	131,372	12,163
Contracted Aide	78,400	(15,373)	63,027	57,084	5,943
<b>Total Other Supp. Services Students-Extra.Services</b>	<b>335,146</b>	<b>(128,584)</b>	<b>206,562</b>	<b>188,456</b>	<b>18,106</b>
<b>Other Supp. Services Students-Regular:</b>					
Salaries of Other Professional Staff	62,721		62,721	60,223	2,498
Supplies and Materials	400	(217)	183	64	119
<b>Total Other Supp. Services Students-Regular</b>	<b>63,121</b>	<b>(217)</b>	<b>62,904</b>	<b>60,287</b>	<b>2,617</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	363,199	217	363,416	363,399	17
Salaries of Secretarial and Clerical Assistants	42,330		42,330	42,216	114
Other Purchased Professional and Technical Services	5,000	508	5,508	3,893	1,615
Misc. Purchased Services (400-500 series O/than Resid.Costs)	600	(300)	300	82	218
Supplies and Materials	1,000	(208)	792	380	412
<b>Total Other Supp. Services Students-Special</b>	<b>412,129</b>	<b>217</b>	<b>412,346</b>	<b>409,970</b>	<b>2,376</b>
<b>Improvement of Instruction Services:</b>					
Salaries of Other Professional Staff	6,000	(800)	5,200	2,249	2,951
Purchased Professional - Educational Services	1,400	800	2,200	1,800	400
<b>Total Improvement of Instruction Services</b>	<b>7,400</b>	<b></b>	<b>7,400</b>	<b>4,049</b>	<b>3,351</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Educational Media Services/School Library:</b>					
Salaries	89,910		89,910	89,345	565
Purchased Professional - Technical Services	500	9,117	9,617	9,615	2
Supplies and Materials	10,100	(207)	9,893	4,410	5,483
<b>Total Educational Media Services/School Library</b>	<b>100,510</b>	<b>8,910</b>	<b>109,420</b>	<b>103,370</b>	<b>6,050</b>
<b>Instructional Staff Training Services:</b>					
Other Purchased Services (400-500 series)	5,000		5,000	2,086	2,914
<b>Total Instructional Staff Training Services</b>	<b>5,000</b>		<b>5,000</b>	<b>2,086</b>	<b>2,914</b>
<b>Supp. Services - General Administration:</b>					
Salaries	155,248		155,248	155,248	
Admin Sect	23,724	301	24,025	24,025	
Trea/Sub Caller	2,000		2,000	2,000	
Legal Services	5,000	390	5,390	2,606	2,784
Audit Fees	18,500	(64)	18,436	18,370	66
Other Purchased Professional Services	20,300	1,476	21,776	20,582	1,194
Communications/Telephone	13,700	391	14,091	11,511	2,580
Other Purchased Services (400-500 series)	26,550	2,321	28,871	28,372	499
General Supplies	2,000	18	2,018	1,900	118
Miscellaneous Expenditures	5,000	3,992	8,992	7,612	1,380
BOE Membership Dues and Fees	5,000	(163)	4,837	4,837	
<b>Total Supp. Services - General Administration</b>	<b>277,022</b>	<b>8,662</b>	<b>285,684</b>	<b>277,063</b>	<b>8,621</b>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	158,100		158,100	158,100	
Salaries of Other Professional Staff	2,000	(500)	1,500	1,000	500
Salaries of Secretarial and Clerical Assistants	58,832	500	59,332	46,780	12,552
Supplies and Materials	7,000	868	7,868	3,727	4,141
Other Objects	3,000		3,000	1,749	1,251
<b>Total Support Services - School Administration</b>	<b>228,932</b>	<b>868</b>	<b>229,800</b>	<b>211,356</b>	<b>18,444</b>
<b>Central Services:</b>					
Salaries	157,134	1,599	158,733	157,822	911
Purchased Professional Services	300		300	235	65
Miscellaneous Purchased Services (400-500 series)	1,000	(100)	900	683	217
Supplies and Materials	1,500	312	1,812	1,812	
Miscellaneous Expenditures	2,600	(312)	2,288	1,929	359
<b>Total Central Services</b>	<b>162,534</b>	<b>1,499</b>	<b>164,033</b>	<b>162,481</b>	<b>1,552</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Admin. Info.Tech.:</b>					
Salaries	68,817		68,817	68,817	
Purchased Technical Services	28,740	(1,895)	26,845	24,596	2,249
Supplies and Materials	3,000	395	3,395	3,395	
<b>Total Admin. Info.Tech.</b>	<u>100,557</u>	<u>(1,500)</u>	<u>99,057</u>	<u>96,808</u>	<u>2,249</u>
<b>Required Maintenance for School Facilities:</b>					
Salaries	24,000	(5,376)	18,624	18,180	444
Cleaning, Repair and Maintenance Services	81,000	213,887	294,887	221,515	73,372
General Supplies	28,400	(21,146)	7,254	5,010	2,244
<b>Total Required Maintenance for School Facilities</b>	<u>133,400</u>	<u>187,365</u>	<u>320,765</u>	<u>244,705</u>	<u>76,060</u>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	285,322	(22,092)	263,230	258,805	4,425
Other Purchased Professional and Technical Services		19,200	19,200	18,975	225
Cleaning, Repair and Maintenance Services	24,000	(3,515)	20,485	17,625	2,860
Other Purchased Property Services	9,000	341	9,341	8,318	1,023
Insurance	42,000	3,408	45,408	45,408	
Miscellaneous Purchased Services		196	196	196	
General Supplies	32,000	7,743	39,743	33,637	6,106
Energy (Heat and Electricity)	102,000	15,518	117,518	112,876	4,642
<b>Total Other Operations and Maintenance of Plant</b>	<u>494,322</u>	<u>20,799</u>	<u>515,121</u>	<u>495,840</u>	<u>19,281</u>
<b>Security:</b>					
Purchased Professional and Technical Services	118,467	2,988	121,455	121,455	
General Supplies	800		800	604	196
<b>Total Security</b>	<u>119,267</u>	<u>2,988</u>	<u>122,255</u>	<u>122,059</u>	<u>196</u>
<b>Student Transportation Services</b>					
Salaries for Pupil Transpor.(Between Home & School)-Regular	95,822	1,440	97,262	97,262	
Other Purchased Professional - Technical Services	4,000		4,000	2,876	1,124
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	13,000	5,396	18,396	18,220	176
Contracted Services (Other than Bet. Home and Sch.)-Vendors	4,000		4,000	1,677	2,323
Contracted Services (Bet. Home and School)-Joint Agreements	207,910	33,274	241,184	240,157	1,027
Contracted Services (Special Education Students)-Vendors	104,100	(18,843)	85,257	85,258	(1)
Contracted Services (Special Education Students)-Joint Agrmnts.	34,915	44,285	79,200	79,200	
Supplies and Materials	7,350	(1,828)	5,522	3,753	1,769
Other Objects	3,420	115	3,535	3,535	
<b>Total Student Transportation Services</b>	<u>474,517</u>	<u>63,839</u>	<u>538,356</u>	<u>531,938</u>	<u>6,418</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	90,000	4,007	94,007	92,507	1,500
Other Retirement Contributions-Regular PERS	105,000		105,000	104,173	827
Other Retirement Contributions-ERIP	11,000		11,000	10,363	637
Workmen's Compensation	50,000	(10,317)	39,683	39,683	
Health Benefits	1,047,183	(3,355)	1,043,828	1,022,428	21,400
Tuition Reimbursement	32,840	1,515	34,355	12,882	21,473
Other Employee Benefits	90,832	1,347	92,179	92,180	(1)
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,426,855</b>	<b>(6,803)</b>	<b>1,420,052</b>	<b>1,374,216</b>	<b>45,836</b>
On-behalf TPAF pension Contrib. (non-budgeted)				1,510,687	(1,510,687)
On-behalf TPAF PRM Contrib. (non-budgeted)				396,854	(396,854)
On-behalf TPAF pension LTD Ins. (non-budgeted)				776	(776)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				312,412	(312,412)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>2,220,729</b>	<b>(2,220,729)</b>
<b>TOTAL PERSONAL SERV.-EMPLOYEE BENEFITS</b>	<b>1,426,855</b>	<b>(6,803)</b>	<b>1,420,052</b>	<b>3,594,945</b>	<b>(2,174,893)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>4,862,498</b>	<b>154,023</b>	<b>5,016,521</b>	<b>6,999,812</b>	<b>(1,983,291)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>8,276,557</b>	<b>264,120</b>	<b>8,540,677</b>	<b>10,383,604</b>	<b>(1,842,927)</b>
<b>CAPITAL OUTLAY</b>					
<b>Equipment:</b>					
Undistributed Equipment		10,585	10,585		10,585
<b>Total Equipment</b>		<b>10,585</b>	<b>10,585</b>		<b>10,585</b>



WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Facilities Acquisition and Construction Services</b>					
Other Purchased Professional and Technical Services		17,406	17,406	11,012	6,394
Construction Services	662,345		662,345	522,971	139,374
<b>Total Facilities Acquisition and Construction Services</b>	<u>662,345</u>	<u>17,406</u>	<u>679,751</u>	<u>533,983</u>	<u>145,768</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u><b>662,345</b></u>	<u><b>27,991</b></u>	<u><b>690,336</b></u>	<u><b>533,983</b></u>	<u><b>156,353</b></u>
<b>TOTAL EXPENDITURES</b>	<u><b>8,938,902</b></u>	<u><b>292,111</b></u>	<u><b>9,231,013</b></u>	<u><b>10,917,587</b></u>	<u><b>(1,686,574)</b></u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(828,297)</u>	<u>(292,111)</u>	<u>(1,120,408)</u>	<u>(284,923)</u>	<u>835,485</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>(828,297)</u>	<u>(292,111)</u>	<u>(1,120,408)</u>	<u>(284,923)</u>	<u>835,485</u>
<b>Fund Balance, July 1</b>	2,150,426		2,150,426	2,150,426	
<b>Prior Period Adjustment</b>					
<b>Fund Balance, July 1 (Restated)</b>	<u>2,150,426</u>		<u>2,150,426</u>	<u>2,150,426</u>	
<b>Fund Balance, June 30</b>	<u><b>\$ 1,322,129</b></u>	<u><b>\$ (292,111)</b></u>	<u><b>\$ 1,030,018</b></u>	<u><b>\$ 1,865,503</b></u>	<u><b>\$ 835,485</b></u>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Capital Reserve				\$ 360,392	
Maintenance Reserve				324,650	
Unemployment Compensation				150,877	
<b>Assigned to:</b>					
Year-End Encumbrances				238,464	
Designated for Subsequent Year's Expenditures				264,576	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>526,544</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<u>1,865,503</u>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(113,249)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>				<u><u>\$ 1,752,254</u></u>	

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Local Sources	\$ 5,000	\$ 86,085	\$ 91,085	\$ 31,828	\$ (59,257)
State Sources	2,700	12,948	15,648	15,648	-
Federal Sources	802,647	(77,773)	724,874	549,562	(175,312)
<b>Total Revenues</b>	<b>810,347</b>	<b>21,260</b>	<b>831,607</b>	<b>597,038</b>	<b>(234,569)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	125,000	(41,003)	83,997	36,155	47,842
Purchased Profess. & Tech. Serv.	77,000	(37,881)	39,119	27,341	11,778
Tuition	-	-	-	-	-
General Supplies	60,300	90,729	151,029	91,772	59,257
Textbooks	-	-	-	-	-
<b>Total Instruction</b>	<b>262,300</b>	<b>11,845</b>	<b>274,145</b>	<b>155,268</b>	<b>118,877</b>
<b>Support Services</b>					
Other Salaries	17,000	77,521	94,521	26,866	67,655
Personal Services-Employee Bene.	9,000	3,047	12,047	12,047	-
Purchased Profess. & Tech Svcs	3,000	2,960	5,960	5,960	-
Purchased Profess. Educ. Svcs	128,000	7,502	135,502	136,194	(692)
Supplies and Materials	5,000	12,361	17,361	17,361	-
Student Activities	400	24,565	24,965	24,965	-
<b>Total Support Services</b>	<b>162,400</b>	<b>127,956</b>	<b>290,356</b>	<b>223,393</b>	<b>66,963</b>
<b>Facilities Acq. &amp; Construction Services:</b>					
Buildings	385,647	(123,404)	262,243	213,514	48,729
Instructional Equipment	-	-	-	-	-
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>385,647</b>	<b>(123,404)</b>	<b>262,243</b>	<b>213,514</b>	<b>48,729</b>
<b>Total Expenditures</b>	<b>\$ 810,347</b>	<b>\$ 16,397</b>	<b>\$ 826,744</b>	<b>\$ 592,175</b>	<b>234,569</b>
<b>Total Outflows</b>	<b>\$ 810,347</b>	<b>\$ 16,397</b>	<b>\$ 826,744</b>	<b>\$ 592,175</b>	<b>\$ 234,569</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	-	4,863	4,863	4,863	-
<b>Fund Balance Beginning</b>				11,671	
<b>Prior Period Adjustment</b>				-	
<b>Fund Balance Beginning (Restated)</b>				11,671	
<b>Fund Balance Ending</b>				<u>\$ 16,534</u>	
<b>Recapitulation:</b>					
Restricted:					
Student Activities				\$ 16,534	
Total Fund Balance				<u>\$ 16,534</u>	

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit C-3

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended June 30, 2023

**Explanation of Differences between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures**

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 10,632,664	\$ 597,038
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	17,547
Current Year Encumbrances	N/A	(21,825)
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	146,869	N/A
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	(113,249)	N/A
	<u>\$ 10,666,284</u>	<u>\$ 592,760</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 10,917,587	\$ 592,175
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	17,547
Current Year Encumbrances	N/A	(21,825)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	N/A	N/A
	<u>\$ 10,917,587</u>	<u>\$ 587,897</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 10,917,587</u>	<u>\$ 587,897</u>

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

**Exhibit L-3**

**Teachers' Pension and Annuity Fund (TPAF)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 18,934,465	\$ 18,074,308	\$ 24,366,597	\$ 23,551,535	\$ 25,112,942	\$ 28,282,726	\$ 31,719,568	\$ 26,812,532	\$ 23,047,511	\$ 21,385,336
Total	\$ 18,934,465	\$ 18,074,308	\$ 24,366,597	\$ 23,551,535	\$ 25,112,942	\$ 28,282,726	\$ 31,719,568	\$ 26,812,532	\$ 23,047,511	\$ 21,385,336
District's covered employee payroll	\$ 4,317,862	\$ 4,159,824	\$ 4,110,666	\$ 4,205,985	\$ 4,157,118	\$ 4,040,833	\$ 3,949,115	\$ 4,423,064	\$ 4,229,000	\$ 4,356,381
District's proportionate share of the of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.50%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

**Exhibit L-1**

**Public Employees' Retirement System (PERS)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.008261%	0.008961%	0.009619%	0.009009%	0.010481%	0.014602%	0.012242%	0.012563%	0.013786%	0.014972%
District's proportionate share of the net pension liability (asset)	\$ 1,246,673	\$ 1,061,507	\$ 1,568,607	\$ 1,623,247	\$ 2,063,714	\$ 3,399,139	\$ 3,625,757	\$ 2,820,035	\$ 2,581,098	\$ 2,861,422
District's covered employee payroll	\$ 560,291	\$ 549,078	\$ 607,261	\$ 650,107	\$ 691,357	\$ 707,308	\$ 713,754	\$ 1,428,437	\$ 1,424,061	\$ 1,283,928
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	222.50%	193.33%	258.31%	249.69%	298.50%	480.57%	507.98%	197.42%	181.25%	222.86%
Plan fiduciary net position as a percentage of the total pension liability (Local)	62.91%	70.33%	58.32%	56.27%	53.60%	58.18%	40.14%	47.92%	52.08%	48.72%

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

Exhibit L-2

Teachers' Pension and Annuity Fund (TPAF)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually required contribution **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 4,317,862	\$ 4,159,824	\$ 4,110,666	\$ 4,205,985	\$ 4,157,118	\$ 4,040,833	\$ 3,949,115	\$ 4,423,064	\$ 4,229,000	\$ 4,356,381
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Public Employees' Retirement System (PERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 104,173	\$ 104,938	\$ 105,227	\$ 87,778	\$ 104,624	\$ 136,801	\$ 109,040	\$ 113,649	\$ 113,481	\$ 118,664
Contributions in relation to the contractually required contribution	(104,173)	(104,938)	(105,227)	(87,778)	(104,624)	(136,801)	(109,040)	(113,649)	(113,481)	(118,664)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 560,291	\$ 549,078	\$ 607,261	\$ 650,107	\$ 691,357	\$ 707,308	\$ 713,754	\$ 1,428,437	\$ 1,424,061	\$ 1,283,928
Contributions as a percentage of covered-employee payroll	18.59%	19.11%	17.33%	13.50%	15.13%	19.34%	15.28%	7.96%	7.97%	9.24%

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

Exhibit M-1

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

<b>The State of New Jersey's Total OPEB Liability</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Service Cost	\$ 2,770,618,025	\$ 3,217,184,264	\$ 1,790,973,822	\$ 1,734,404,850	\$ 1,984,642,729	\$ 2,391,878,884	\$ 1,723,999,319			
Interest	1,342,187,139	1,556,661,679	1,503,341,357	1,827,787,206	1,970,236,232	1,699,441,736	1,823,643,792			
Change in Benefit Terms	-	(63,870,842)								
Differences Between Expected and Actual Experience	1,399,200,736	(11,385,071,658)	11,544,750,637	(7,323,140,818)	-500,206,574					
Benefit Payments	(13,586,368,097)	59,202,205	(1,180,515,618)	(1,280,958,373)	(1,232,987,247)	(1,242,412,566)	(1,223,298,019)			
Contributions from Members	(1,329,476,059)	-	35,781,384	37,971,171	42,614,005	45,748,749	46,273,747			
Changes of Assumptions or other inputs	<u>42,650,252</u>	<u>(1,186,417,186)</u>	<u>12,386,549,981</u>	<u>622,184,027</u>	<u>(5,291,448,855)</u>	<u>(7,086,599,129)</u>	<u>8,611,513,521</u>			
<b>Net change in total OPEB liability</b>	<u>(9,361,188,004)</u>	<u>(7,802,311,638)</u>	<u>26,080,881,563</u>	<u>(4,381,751,937)</u>	<u>(7,529,008,876)</u>	<u>(4,191,942,326)</u>	<u>10,982,132,360</u>			
<b>Total OPEB Liability - Beginning</b>	<u>\$ 60,007,650,970</u>	<u>\$ 67,809,962,608</u>	<u>\$ 41,729,081,045</u>	<u>\$ 46,110,832,982</u>	<u>\$ 53,639,841,858</u>	<u>\$ 57,831,784,184</u>	<u>\$ 46,849,651,824</u>			
<b>Total OPEB Liability - Ending</b>	<u>\$ 50,646,462,966</u>	<u>\$ 60,007,650,970</u>	<u>\$ 67,809,962,608</u>	<u>\$ 41,729,081,045</u>	<u>\$ 46,110,832,982</u>	<u>\$ 53,639,841,858</u>	<u>\$ 57,831,784,184</u>			
<b>The State of New Jersey's total OPEB liability **</b>	\$ 50,646,462,966	\$ 60,007,650,970	\$ 67,809,962,608	\$ 41,729,081,045	\$ 46,110,832,982	\$ 53,639,841,858	\$ 57,831,784,184			
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	\$ 21,252,678	\$ 25,104,141	\$ 29,373,097	\$ 18,862,812	\$ 21,353,835	\$ 23,974,163	\$ 25,813,155			
<b>The District's proportionate share of the total OPEB liability</b>	Zero	Zero	Zero	Zero	Zero	Zero	Zero			
<b>District's covered employee payroll</b>	\$ 4,878,153	\$ 4,708,902	\$ 4,717,927	\$ 4,856,092	\$ 4,848,475	\$ 4,748,141	\$ 4,662,869			
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
<b>District's contribution</b>	None	None	None	None	None	None	None			
<b>State's covered employee payroll ***</b>	\$ 14,753,355,408	\$ 14,425,669,769	\$ 14,267,738,657	\$ 13,929,083,479	\$ 13,640,275,833	\$ 13,493,400,208	\$ 13,493,400,208			
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	343.29%	415.98%	475.27%	299.58%	338.05%	397.53%	428.59%			

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

\*\*\* Covered payroll for the Measurement Period ending June 30, 2021 and June 30, 2022 is based on the payroll on the June 30, 2020 and June 30, 2021 census data, respectively

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2023

**Teachers' Pension and Annuity Fund (TPAF)**

**Pension Schedules**

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

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

**OPEB Schedules**

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**Public Employees' Retirement System (PERS)**

**Pension Schedules**

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

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

**OPEB Schedules**

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

Changes of benefit terms. The decrease in liability from June 30, 2021 to June 30, 2022 is due to employers adopting Chapter 44 provisions.

Changes of assumptions. Changes of assumptions and other inputs reflects a change in the discount rate from 2.16 percent in 2021 to 3.54 percent in 2022.

**OTHER SUPPLEMENTARY INFORMATION**



**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

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

For the Fiscal Year Ended June 30, 2023

	Title I Part A	Title I I Part A	Title IV	IDEA Basic	IDEA Preschool	ARP ESSER III	ARP Accel. Learn	ARP Beyond Sch. Day	ARP Mental	CRRSA Learn.	CRRSA Mental	REAP	SDA Emerg. Needs & Capital	Climate Awareness Grant	Local Grants	Student Activity	School House Fund	Totals
<b>REVENUES</b>																		
Local Sources															\$ 2,000	\$ 29,809	\$ 19	\$ 31,828
State Sources													\$ 8,988	\$ 6,660				15,648
Federal Sources	\$ 46,259	\$ 9,949	\$ 10,379	\$ 149,284	\$ 11,452	\$ 218,164	\$ 2,158	\$ 6,138	\$ 17,345	\$ 25,000	\$ 14,579	\$ 38,855						549,562
<b>TOTAL REVENUES</b>	<b>46,259</b>	<b>9,949</b>	<b>10,379</b>	<b>149,284</b>	<b>11,452</b>	<b>218,164</b>	<b>2,158</b>	<b>6,138</b>	<b>17,345</b>	<b>25,000</b>	<b>14,579</b>	<b>38,855</b>	<b>8,988</b>	<b>6,660</b>	<b>2,000</b>	<b>29,809</b>	<b>19</b>	<b>597,038</b>
<b>EXPENDITURES:</b>																		
<b>Instruction:</b>																		
Salaries of Teachers	28,000						1,155			7,000								36,155
Purchased Profess. & Tech. Serv.				2,200			1,003	6,138		18,000								27,341
Tuition																		-
General Supplies	1,054		6,505	24,437		4,650			623			38,855	8,988	6,660				91,772
Textbooks																		-
<b>Total Instruction</b>	<b>29,054</b>	<b>-</b>	<b>6,505</b>	<b>26,637</b>	<b>-</b>	<b>4,650</b>	<b>2,158</b>	<b>6,138</b>	<b>623</b>	<b>25,000</b>	<b>-</b>	<b>38,855</b>	<b>8,988</b>	<b>6,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,268</b>
<b>Support Services:</b>																		
Other Salaries									15,677		11,189							26,866
Personal Services-Employee Bene.	12,047																	12,047
Purchased Profess. & Tech Svcs		4,123		792					1,045									5,960
Purchased Profess. Educ. Svcs		5,335	3,300	114,417	11,452						1,690							136,194
Supplies and Materials	5,158	491	574	7,438							1,700				2,000			17,361
Student Activities																24,915	50	24,965
<b>Total Support Services</b>	<b>17,205</b>	<b>9,949</b>	<b>3,874</b>	<b>122,647</b>	<b>11,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,722</b>	<b>-</b>	<b>14,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>24,915</b>	<b>50</b>	<b>223,393</b>
<b>Facilities Acq. &amp; Construction Services:</b>																		
Buildings						213,514												213,514
Instructional Equipment																		-
<b>Total Facilities Acq. &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,514</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,514</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 46,259</b>	<b>\$ 9,949</b>	<b>\$ 10,379</b>	<b>\$ 149,284</b>	<b>\$ 11,452</b>	<b>\$ 218,164</b>	<b>\$ 2,158</b>	<b>\$ 6,138</b>	<b>\$ 17,345</b>	<b>\$ 25,000</b>	<b>\$ 14,579</b>	<b>\$ 38,855</b>	<b>\$ 8,988</b>	<b>\$ 6,660</b>	<b>\$ 2,000</b>	<b>\$ 24,915</b>	<b>50</b>	<b>\$ 592,175</b>
<b>Total Outflows</b>	<b>\$ 46,259</b>	<b>\$ 9,949</b>	<b>\$ 10,379</b>	<b>\$ 149,284</b>	<b>\$ 11,452</b>	<b>\$ 218,164</b>	<b>\$ 2,158</b>	<b>\$ 6,138</b>	<b>\$ 17,345</b>	<b>\$ 25,000</b>	<b>\$ 14,579</b>	<b>\$ 38,855</b>	<b>\$ 8,988</b>	<b>\$ 6,660</b>	<b>\$ 2,000</b>	<b>\$ 24,915</b>	<b>50</b>	<b>\$ 592,175</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,894</b>	<b>(31)</b>	<b>4,863</b>
<b>Fund Balance Beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,321</b>	<b>2,350</b>	<b>11,671</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Beginning (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,321</b>	<b>2,350</b>	<b>11,671</b>
<b>Fund Balance Ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 14,215</b>	<b>\$ 2,319</b>	<b>\$ 16,534</b>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

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

N/A

**PROPRIETARY FUND  
DETAIL STATEMENTS**

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

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

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

**FIDUCIARY FUND  
DETAIL STATEMENTS**

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

N/A

## **LONG-TERM DEBT SCHEDULES**

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

N/A

Washington Township School District  
Statistical Section

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

**Sources:**

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

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

**Exhibit J-1**

*(accrual basis of accounting)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 2,186,985	\$ 2,361,405	\$ 2,341,064	\$ 2,578,643	\$ 2,644,434	\$ 3,105,665	\$ 3,177,677	\$ 3,004,291	\$ 3,204,207	\$ 3,470,717
Restricted	375,417	374,032	428,561	736,783	918,377	1,118,004	1,370,659	1,694,456	1,578,988	1,117,029
Unrestricted	79,975	(2,609,694)	(2,641,354)	(2,833,497)	(2,790,454)	(2,667,927)	(2,398,918)	(2,033,561)	(1,607,828)	(876,745)
<b>Total governmental activities net position</b>	<b>\$ 2,642,377</b>	<b>\$ 125,743</b>	<b>\$ 128,271</b>	<b>\$ 481,929</b>	<b>\$ 772,357</b>	<b>\$ 1,555,742</b>	<b>\$ 2,149,418</b>	<b>\$ 2,665,186</b>	<b>\$ 3,175,367</b>	<b>\$ 3,711,001</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt			\$ 17,862	\$ 13,396	\$ 8,930	\$ 4,464	-	-	\$ 21,966	\$ 20,406
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	\$ 22,920	\$ 67,419	78,823	64,135	62,588	50,870	\$ 35,656	\$ 26,586	68,038	89,579
<b>Total business-type activities net position</b>	<b>\$ 22,920</b>	<b>\$ 67,419</b>	<b>\$ 96,685</b>	<b>\$ 77,531</b>	<b>\$ 71,518</b>	<b>\$ 55,334</b>	<b>\$ 35,656</b>	<b>\$ 26,586</b>	<b>\$ 90,004</b>	<b>\$ 109,985</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 2,186,985	\$ 2,361,405	\$ 2,358,926	\$ 2,592,039	\$ 2,653,364	\$ 3,110,129	\$ 3,177,677	\$ 3,004,291	\$ 3,226,173	\$ 3,491,123
Restricted	375,417	374,032	428,561	736,783	918,377	1,118,004	1,370,659	1,694,456	1,578,988	1,117,029
Unrestricted	102,895	(2,542,275)	(2,562,531)	(2,769,362)	(2,727,866)	(2,617,057)	(2,363,262)	(2,006,975)	(1,539,790)	(787,166)
<b>Total district net position</b>	<b>\$ 2,665,297</b>	<b>\$ 193,162</b>	<b>\$ 224,956</b>	<b>\$ 559,460</b>	<b>\$ 843,875</b>	<b>\$ 1,611,076</b>	<b>\$ 2,185,074</b>	<b>\$ 2,691,772</b>	<b>\$ 3,265,371</b>	<b>\$ 3,820,986</b>

Source: ACFR Schedule A-1



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

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 3,715,671	\$ 4,265,097	\$ 4,199,342	\$ 4,473,903	\$ 4,500,204	\$ 3,934,038	\$ 3,945,396	\$ 4,442,668	\$ 3,568,045	\$ 3,272,011
Special education	855,316	1,051,588	1,170,805	1,223,714	1,096,943	1,172,349	887,153	976,009	890,496	997,220
Other special education	401,625	465,828	541,466	496,980	544,703	532,682	506,837	423,847	398,242	365,295
Support Services:										
Tuition	22,033	1,265	-	-	-	1,692	4,778	71	66,051	67,615
Student & instruction related services	1,831,853	2,006,126	2,206,916	2,092,454	2,391,437	2,094,859	1,952,051	2,174,171	2,066,154	1,812,354
General administrative services	708,319	741,730	760,341	891,704	906,707	813,484	735,143	784,288	732,265	680,199
School administrative services	410,217	437,543	454,902	534,092	548,583	468,936	412,408	425,236	370,185	341,903
Business administrative services										
Plant operations and maintenance	871,468	997,818	1,083,095	1,141,486	1,540,999	1,686,839	1,427,276	1,534,574	1,338,428	1,134,326
Pupil transportation	577,586	601,967	696,248	746,547	779,204	709,272	693,702	702,533	725,226	674,601
Non-Budgeted Contributions										
Special Schools										
Charter Schools										
Interest on long-term debt										
Unallocated depreciation	111,475	117,634	130,332	167,103	191,395	165,053	187,887	197,942	232,414	274,872
Total governmental activities expenses	<u>9,505,563</u>	<u>10,686,596</u>	<u>11,243,447</u>	<u>11,767,983</u>	<u>12,500,175</u>	<u>11,579,204</u>	<u>10,752,631</u>	<u>11,661,339</u>	<u>10,387,506</u>	<u>9,620,396</u>
Business-type activities:										
Food service	127,618	131,323	129,627	133,981	141,033	140,825	118,139	145,621	211,402	184,688
Child Care	55,762	61,562	70,313	101,595	92,684	75,641	68,116	2,303	36,303	-
Total business-type activities expense	<u>183,380</u>	<u>192,885</u>	<u>199,940</u>	<u>235,576</u>	<u>233,717</u>	<u>216,466</u>	<u>186,255</u>	<u>147,924</u>	<u>247,705</u>	<u>184,688</u>
Total district expenses	<u>\$ 9,688,943</u>	<u>\$ 10,879,481</u>	<u>\$ 11,443,387</u>	<u>\$ 12,003,559</u>	<u>\$ 12,733,892</u>	<u>\$ 11,795,670</u>	<u>\$ 10,938,886</u>	<u>\$ 11,809,263</u>	<u>\$ 10,635,211</u>	<u>\$ 9,805,084</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (regular & special education)										
Business and other support services	\$ 90,501	\$ 93,716	\$ 98,700	\$ 100,792	\$ 121,050	\$ 104,648	\$ 101,430	\$ 100,312	\$ 114,780	\$ 122,569
Operating grants and contributions	3,768,294	4,995,997	5,288,774	5,994,612	6,554,988	5,614,769	4,713,136	5,548,798	3,935,809	3,169,653
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>3,858,795</u>	<u>5,089,713</u>	<u>5,387,474</u>	<u>6,095,404</u>	<u>6,676,038</u>	<u>5,719,417</u>	<u>4,814,566</u>	<u>5,649,110</u>	<u>4,050,589</u>	<u>3,292,222</u>
Business-type activities:										
Charges for services										
Food service	79,879	83,388	90,870	91,315	90,931	78,966	64,178	10,047	6,254	96,391
Child care	48,104	95,607	87,789	75,855	75,430	64,040	49,397	1,298	35,299	-
Operating grants and contributions	46,861	58,389	50,547	49,252	61,343	57,276	53,002	127,509	269,570	108,278
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>174,844</u>	<u>237,384</u>	<u>229,206</u>	<u>216,422</u>	<u>227,704</u>	<u>200,282</u>	<u>166,577</u>	<u>138,854</u>	<u>311,123</u>	<u>204,669</u>
Total district program revenues	<u>\$ 4,033,639</u>	<u>\$ 5,327,097</u>	<u>\$ 5,616,680</u>	<u>\$ 6,311,826</u>	<u>\$ 6,903,742</u>	<u>\$ 5,919,699</u>	<u>\$ 4,981,143</u>	<u>\$ 5,787,964</u>	<u>\$ 4,361,712</u>	<u>\$ 3,496,891</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (5,646,768)	\$ (5,596,883)	\$ (5,855,973)	\$ (5,672,579)	\$ (5,824,137)	\$ (5,859,787)	\$ (5,938,065)	\$ (6,012,229)	\$ (6,336,917)	\$ (6,328,174)
Business-type activities	(8,536)	44,499	29,266	(19,154)	(6,013)	(16,184)	(19,678)	(9,070)	63,418	19,981
Total district-wide net expense	<u>\$ (5,655,304)</u>	<u>\$ (5,552,384)</u>	<u>\$ (5,826,707)</u>	<u>\$ (5,691,733)</u>	<u>\$ (5,830,150)</u>	<u>\$ (5,875,971)</u>	<u>\$ (5,957,743)</u>	<u>\$ (6,021,299)</u>	<u>\$ (6,273,499)</u>	<u>\$ (6,308,193)</u>

Continued

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

Exhibit J-2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 5,549,331	\$ 5,732,086	\$ 5,843,253	\$ 5,960,118	\$ 6,079,320	\$ 6,218,548	\$ 6,342,919	\$ 6,489,777	\$ 6,648,685	\$ 6,832,361
Taxes levied for debt service	-	-	-	-	-	-	-	-	-	-
Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
Investment earnings	1,666	1,635	2,926	4,360	9,993	24,062	12,147	1,611	547	6,547
Miscellaneous income	7,791	9,830	12,322	61,759	25,252	3,733	14,718	36,609	197,866	24,900
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>5,558,788</u>	<u>5,743,551</u>	<u>5,858,501</u>	<u>6,026,237</u>	<u>6,114,565</u>	<u>6,246,343</u>	<u>6,369,784</u>	<u>6,527,997</u>	<u>6,847,098</u>	<u>6,863,808</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 5,558,788</u>	<u>\$ 5,743,551</u>	<u>\$ 5,858,501</u>	<u>\$ 6,026,237</u>	<u>\$ 6,114,565</u>	<u>\$ 6,246,343</u>	<u>\$ 6,369,784</u>	<u>\$ 6,527,997</u>	<u>\$ 6,847,098</u>	<u>\$ 6,863,808</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (87,980)	\$ 146,668	\$ 2,528	\$ 353,658	\$ 290,428	\$ 386,556	\$ 431,719	\$ 515,768	\$ 510,181	\$ 535,634
Business-type activities	(8,536)	44,499	29,266	(19,154)	(6,013)	(16,184)	(19,678)	(9,070)	63,418	19,981
Total district	<u>\$ (96,516)</u>	<u>\$ 191,167</u>	<u>\$ 31,794</u>	<u>\$ 334,504</u>	<u>\$ 284,415</u>	<u>\$ 370,372</u>	<u>\$ 412,041</u>	<u>\$ 506,698</u>	<u>\$ 573,599</u>	<u>\$ 555,615</u>

Source: ACFR Schedule A-2

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

**Exhibit J-3**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Fiscal Year Ending June 30,</u>		<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
					<u>2018</u>	<u>2019</u>				
General Fund										
Reserved	\$ 463,460	\$ 565,452	\$ 567,579	\$ 820,464	\$ 1,106,361	\$ 1,276,575	\$ 1,561,854	\$ 1,873,240	\$ 1,711,111	\$ 1,338,959
Unreserved	39,798	(5,564)	(2,829)	17,199	52,481	89,486	93,528	213,062	292,446	413,295
Total general fund	<u>\$ 503,258</u>	<u>\$ 559,888</u>	<u>\$ 564,750</u>	<u>\$ 837,663</u>	<u>\$ 1,158,842</u>	<u>\$ 1,366,061</u>	<u>\$ 1,655,382</u>	<u>\$ 2,086,302</u>	<u>\$ 2,003,557</u>	<u>\$ 1,752,254</u>
All Other Governmental Funds										
Reserved							\$ 11,080	\$ 11,340	\$ 11,671	\$ 16,534
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	\$ 4,694									
Debt service fund										
Trust and agency fund	-									
Total all other governmental funds	<u>\$ 4,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 11,080</u>	<u>\$ 11,340</u>	<u>\$ 11,671</u>	<u>\$ 16,534</u>

Source: ACFR Schedule B-1

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

**Exhibit J-4**

	<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>
<b>Revenues</b>										
Tax levy	\$ 5,549,331	\$ 5,732,086	\$ 5,843,253	\$ 5,960,118	\$ 6,079,320	\$ 6,218,548	\$ 6,342,919	\$ 6,489,777	\$ 6,648,685	\$ 6,832,361
Tuition charges										
Interest earnings	198	-	141	-	1,736	7,190	-	511	263	-
Miscellaneous	99,760	105,181	113,807	166,911	154,559	125,253	128,295	138,021	312,930	154,016
State sources	3,528,313	3,757,656	3,745,372	3,867,839	4,010,714	4,058,577	3,854,235	3,847,331	3,844,389	3,726,593
Federal sources	239,981	227,518	229,086	216,837	187,802	251,070	247,104	416,388	466,254	546,074
<b>Total revenue</b>	<b>9,417,583</b>	<b>9,822,441</b>	<b>9,931,659</b>	<b>10,211,705</b>	<b>10,434,131</b>	<b>10,660,638</b>	<b>10,572,553</b>	<b>10,892,028</b>	<b>11,272,521</b>	<b>11,259,044</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	2,790,110	2,863,940	2,724,490	2,591,306	2,507,327	2,446,267	2,609,227	2,727,358	2,477,040	2,455,698
Special education instruction	649,149	719,191	764,829	728,158	632,278	751,244	605,819	621,661	644,450	786,331
Other special instruction	304,816	318,584	353,713	295,723	313,967	341,344	346,109	269,966	288,207	288,043
Other instruction	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	16,722	865	-	-	-	1,084	3,263	45	47,801	53,316
Student & instruction related services	1,390,299	1,372,008	1,441,669	1,245,093	1,378,424	1,342,390	1,333,016	1,384,821	1,495,272	1,429,082
General administrative services	523,503	507,276	496,693	530,599	522,626	521,282	502,014	499,546	529,939	536,352
School administrative services	295,113	275,281	267,751	277,252	275,649	265,522	241,814	228,910	218,657	211,356
Plant operations and maintenance	653,583	668,962	694,077	665,774	866,063	1,036,156	869,033	954,508	941,698	862,604
Pupil transportation	438,363	411,691	454,824	444,225	449,133	454,503	473,715	447,473	524,845	531,938
Unallocated employee benefits	2,264,373	2,345,401	2,483,990	2,594,576	2,760,986	2,909,752	2,959,761	3,090,014	3,530,314	3,594,945
Transfer to Charter School	-	-	48,889	44,807	-	-	-	44,758	43,070	-
Capital Outlay	115,033	287,306	195,872	521,279	406,499	383,875	490,338	191,788	613,642	755,819
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,441,064</b>	<b>9,770,505</b>	<b>9,926,797</b>	<b>9,938,792</b>	<b>10,112,952</b>	<b>10,453,419</b>	<b>10,434,109</b>	<b>10,460,848</b>	<b>11,354,935</b>	<b>11,505,484</b>
Excess (Deficiency) of revenues over (under) expenditures	(23,481)	51,936	4,862	272,913	321,179	207,219	138,444	431,180	(82,414)	(246,440)
<b>Other Financing Sources (uses)</b>										
Transfers in	18,775	127,308								
Transfers out	(18,775)	(127,308)								
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (23,481)</b>	<b>\$ 51,936</b>	<b>\$ 4,862</b>	<b>\$ 272,913</b>	<b>\$ 321,179</b>	<b>\$ 207,219</b>	<b>\$ 138,444</b>	<b>\$ 431,180</b>	<b>\$ (82,414)</b>	<b>\$ (246,440)</b>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

WASHINGTON TOWNSHIP SCHOOL DISTRICT

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

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Interest on</u> <u>Cap.Reserve</u> <u>Account</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Transportation</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	\$ 1,468	\$ 198	\$ 4,996	\$ 90,501		\$ 2,285	\$ 99,448
2015	1,635			93,716		8,440	103,791
2016	2,785	141	10,778	98,700		1,000	113,404
2017	4,360		13,915	100,792	\$ 42,194	4,180	165,441
2018	8,257	1,736	22,327	102,852	18,198	1,354	154,724
2019	16,872	7,190		104,648	-	3,733	132,443
2020	12,147	-		101,430	-	12,718	132,443
2021	1,100	511	36,514	99,520	-	-	137,645
2022	284	263	110,395	101,032	-	87,116	299,090
2023	6,547	-		92,760	-	23,671	122,978

SOURCE: District Records

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

**Exhibit J-6**

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2014	\$10,364,300	\$558,903,101	\$26,397,900	\$2,399,300	\$75,759,900	\$3,445,900	\$1,780,300	\$737,724,389	\$57,457,248	\$1,216,440	\$680,267,141	\$0.844	\$784,880,638
2015	10,399,600	557,929,101	26,422,900	2,410,900	75,491,100	3,445,900	1,780,300	737,538,935	58,674,448	984,686	678,864,487	0.860	741,130,019
2016	11,107,000	557,507,301	25,814,400	2,465,700	77,247,900	3,445,900	1,780,300	739,047,749	59,679,148	100	679,368,601	0.875	730,164,989
2017	10,778,500	557,463,501	26,272,400	2,595,000	77,981,800	3,445,900	1,685,900	740,519,312	59,366,048	930,263	681,153,264	0.893	725,063,215
2018	10,670,500	556,977,408	26,323,600	2,585,000	78,268,768	3,573,300	1,685,900	740,624,234	59,588,748	951,010	681,035,486	0.907	700,881,018
2019	12,816,000	556,398,608	27,193,200	2,402,100	80,465,968	3,573,300	1,685,900	746,254,717	60,747,948	971,693	685,506,769	0.931	698,845,642
2020	10,168,100	555,469,808	27,501,100	2,427,100	80,528,968	3,573,300	1,685,900	745,197,824	63,843,548	-	681,354,276	0.944	708,550,380
2021	13,806,700	555,632,808	27,780,600	2,490,200	82,543,268	3,523,300	1,685,900	748,844,224	61,381,448	-	687,462,776	0.969	724,471,996
2022	12,816,500	554,709,808	28,315,700	2,388,800	82,543,268	3,523,300	1,685,900	747,809,324	61,826,048	-	685,983,276	0.999	730,278,125
2023	10,576,700	555,091,408	28,404,200	2,406,000	82,427,968	3,523,300	1,686,700	766,941,124	82,824,848	-	684,116,276	0.999	777,634,630

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

**b** Tax rates are per \$100

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

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Washington Township Board of Education			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Regional School District	Washington Township	Library	Warren County	
2014	\$0.816	\$0.000	\$0.816	\$0.964	\$0.581	\$0.058	\$0.765	\$3.184
2015	\$0.844	\$0.000	\$0.844	\$1.129	\$0.597	\$0.058	\$0.785	\$3.413
2016	\$0.860	\$0.000	\$0.860	\$1.154	\$0.613	\$0.000	\$0.834	\$3.461
2017	\$0.875	\$0.000	\$0.875	\$1.198	\$0.623	\$0.000	\$0.813	\$3.509
2018	\$0.893	\$0.000	\$0.893	\$1.151	\$0.662	\$0.000	\$0.781	\$3.487
2019	\$0.907	\$0.000	\$0.907	\$1.153	\$0.707	\$0.000	\$0.744	\$3.511
2020	\$0.931	\$0.000	\$0.931	\$1.189	\$0.737	\$0.000	\$0.743	\$3.600
2021	\$0.944	\$0.000	\$0.944	\$1.193	\$0.749	\$0.000	\$0.742	\$3.628
2022	\$0.969	\$0.000	\$0.969	\$1.204	\$0.767	\$0.000	\$0.743	\$3.683
2023	\$0.999	\$0.000	\$0.999	\$1.211	\$0.785	\$0.000	\$0.773	\$3.768

Source: District Records and Municipal Tax Collector

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

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

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

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

**Exhibit J-8**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Hawk Pointe, LLC	\$ 12,025,600	1	1.76%			1.06%
Asbury Farms	7,489,468	2	1.09%	\$ 6,675,000	2	1.06%
Washington Shopping Centers, Inc.	6,541,500	3	0.96%	7,938,700	1	1.26%
Desapio Properties, #3, LLC	3,376,800	4	0.49%	3,499,300	3	
Johnson Family Holdings LLC	3,342,700	5	0.49%			0.57%
Ed Mark 31, LLC	3,243,900	6	0.47%	3,243,900	4	0.56%
Fitzgibbon, Smith & Smith	3,134,900	7	0.46%	3,134,900	5	0.50%
Prime Storage	2,291,700	8	0.33%			
I. C. Washington Inc., - Eckerd Drug	1,875,400	9	0.27%	2,221,700	9	0.35%
Witte Holdings LLC	1,805,100	10	0.26%			
Estate of Richard Strunk				2,279,400	7	0.36%
Drugach Realty Co. - Shop Rite				2,778,200	6	0.44%
Witte Holdings, Inc.				1,677,700	10	0.27%
<b>Total</b>	<b>\$ 45,127,068</b>		<b>6.60%</b>	<b>\$ 33,448,800</b>		<b>6.43%</b>

Source: District ACFR & Municipal Tax Assessor



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

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$5,549,331	\$5,549,331	100.00%	-
2015	\$5,732,086	\$5,732,086	100.00%	-
2016	\$5,843,253	\$5,843,253	100.00%	-
2017	\$5,960,118	\$5,960,118	100.00%	-
2018	\$6,079,320	\$6,079,320	100.00%	-
2019	\$6,218,548	\$6,218,548	100.00%	-
2020	\$6,342,919	\$6,342,919	100.00%	-
2021	\$6,489,777	\$6,489,777	100.00%	-
2022	\$6,648,685	\$6,648,685	100.00%	-
2023	\$6,832,361	\$6,832,361	100.00%	-

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

**Note:**

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

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

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2014	-	-	-	-	-0-	-	0.00%	-
2015	-	-	-	-	-0-	-	0.00%	-
2016	-	-	-	-	-0-	-	0.00%	-
2017	-	-	-	-	-0-	-	0.00%	-
2018	-	-	-	-	-0-	-	0.00%	-
2019	-	-	-	-	-0-	-	0.00%	-
2020	-	-	-	-	-0-	-	0.00%	-
2021	-	-	-	-	-0-	-	0.00%	-
2022	-	-	-	-	-0-	-	0.00%	-
2023	-	-	-	-	-0-	-	0.00%	-

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

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

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

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

**Exhibit J-11**

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2014	-	-0-	-	0.00%	- R
2015	-	-0-	-	0.00%	- R
2016	-	-0-	-	0.00%	- R
2017	-	-0-	-	0.00%	- R
2018	-	-0-	-	0.00%	- R
2019	-	-0-	-	0.00%	- R
2020	-	-0-	-	0.00%	- R
2021	-	-0-	-	0.00%	- R
2022	-	-0-	-	0.00%	- R
2023	-	-0-	-	0.00%	- *

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

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

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

R Revised

\* Current data unavailable

**Washington Township School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2023**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of Washington	\$ 7,780,312	100.000%	\$ 7,780,312
<b>Other debt</b>			
Warren County	830,000	6.410%	<u>53,205</u>
Subtotal, overlapping debt			7,833,517
<b>Washington Township School District Direct Debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 7,833,517</u></u>

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

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

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

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

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2020 730,023,124
	2021 777,935,219
	2022 903,720,312
	[A] \$ <u>2,411,678,655</u>
Average equalized valuation of taxable property	[A/3] \$ 803,892,885
Debt limit (3 % of average equalization value)	[B] 24,116,787
Net bonded school debt	[C] -
Legal debt margin	[B-C] \$ <u>24,116,787</u>

	Fiscal Year									
	<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>
Debt limit	\$23,401,519	\$22,458,961	\$21,869,769	\$21,459,997	\$21,109,345	\$20,996,850	\$21,177,540	\$21,562,830	\$22,241,933	\$ 24,116,787
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$23,401,519</u>	<u>\$22,458,961</u>	<u>\$21,869,769</u>	<u>\$21,459,997</u>	<u>\$21,109,345</u>	<u>\$20,996,850</u>	<u>\$21,177,540</u>	<u>\$21,562,830</u>	<u>\$22,241,933</u>	<u>\$24,116,787</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

**Exhibit J-14**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2014	6,485	\$ 316,567,372	\$48,887 R	5.3%
2015	6,482	\$ 328,350,768	\$50,741 R	4.8%
2016	6,460	\$ 334,759,724	\$51,503 R	3.9%
2017	6,414	\$ 333,216,104	\$53,149 R	3.7%
2018	6,382	\$ 332,444,294	\$54,973 R	3.4%
2019	6,385	\$ 330,386,134	\$56,956 R	3.2%
2020	6,367	\$ 356,136,474	\$60,525 R	7.7%
2021	6,366	\$ 368,298,564	\$63,041 R	4.9%
2022	6,508	\$ 393,896,700	\$63,041 *	3.1%
2023	6,580	\$ 414,809,780	\$63,041 *	*

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income provided by US Dept Commerce

<sup>c</sup> Per Capita provided by NJ Dept of Labor

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

P =Projected

R =Revised

\* Current data unavailable

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

Exhibit J-15  
N/A

Employer	2023			2014		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
		1	0.00%	-		0.00%
		2	0.00%	-		0.00%
		3	0.00%	-		0.00%
		4	0.00%	-		0.00%
		5	0.00%	-		0.00%
		6	0.00%	-		0.00%
		7	0.00%	-		0.00%
		8	0.00%	-		0.00%
		9	0.00%	-		0.00%
		10	0.00%	-		0.00%
	-			-		0.00%
	-			-		0.00%
	-			-		0.00%
	-		0.00%	-		0.00%

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

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

**Exhibit J-16**

<u>Function/Program</u>	<u>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	37.0	38.0	37.0	36.3	35.0	35.0	32.8	32.1	31.0	29.9
Special education	15.0	15.0	16.0	14.5	13.5	13.5	12.0	13.7	12.9	12.7
Other instruction	21.2	22.0	21.8	14.1	16.3	17.4	17.9	14.6	10.3	10.9
Support Services:										
Tuition										
Student & instruction related services	10.4	9.8	10.2	9.6	10.2	10.2	10.2	10.8	11.9	11.9
General administrative services	2.7	2.7	2.7	2.5	2.5	2.5	2.5	2.5	2.4	2.4
School administrative services	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.6	4.7
Business administrative services	1.6	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Plant operations and maintenance	5.6	5.6	5.6	5.3	5.3	4.7	4.9	5.0	5.0	5.9
Pupil transportation	1.4	1.4	1.6	1.6	1.6	1.6	1.6	1.6	1.1	1.3
Food Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care	1.5	2.0	1.5	1.5	1.5	2.0	2.0	0.0	2.0	0.0
<b>Total</b>	<b>100.7</b>	<b>102.3</b>	<b>102.3</b>	<b>91.3</b>	<b>91.8</b>	<b>92.8</b>	<b>89.8</b>	<b>86.2</b>	<b>82.8</b>	<b>81.3</b>

**Source:** District Personnel Records



Washington Township School District  
 Operating Statistics  
 Last Ten Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2014	541	\$ 9,326,031	\$ 17,239	8.60%	53	10.2:1		545.1	521.7	-8.57%	95.7%
2015	522	9,483,199	18,167	5.39%	53	9.8:1		519.0	494.8	-4.79%	95.3%
2016	489	9,730,925	19,900	9.54%	52	9.4:1		483.7	461.9	-6.80%	95.5%
2017	467	9,417,513	20,166	1.34%	51	9.2:1		469.1	444.5	-3.02%	94.8%
2018	453	9,706,453	21,427	6.25%	51	8.9:1		380.3	275.8	-18.93%	72.5%
2019	421	10,069,544	23,918	11.63%	52	8.1:1		425.7	402.6	11.94%	94.6%
2020	419	9,943,771	23,732	-0.78%	52	8.1:1		417.8	399.2	-1.86%	95.5%
2021	381	10,269,060	26,953	13.57%	52	7.3:1		390.7	374.2	-6.49%	95.8%
2022	399	10,741,293	26,921	-0.12%	52	7.7:1		395.1	374.0	1.13%	94.7%
2023	386	10,749,665	27,849	3.45%	52	7.4:1		386.1	361.8	-2.28%	93.7%

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

Note: Enrollment based on annual October district count.

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

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

**Exhibit J-18**

	<u>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>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Brass Castle (1961)										
Square Feet	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400	37,400
Capacity (students)	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6	456.6
Enrollment	342.0	327.0	304.0	290.0	287.0	259.0	264.0	234.0	231.0	214.0
Port Colden (1932)										
Square Feet	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450
Capacity (students)	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4	302.4
Enrollment	199.0	194.0	177.0	180.0	166.0	165.0	150.0	147.0	168.0	172.0
Old School House (District Office)										
Square Feet	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Number of Schools at June 30, 2023

**Source:** District records, ASSA

Elementary = 2

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

WASHINGTON TOWNSHIP SCHOOL DISTRICT

**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES**  
**Last Ten Fiscal Years Ending June 30, 2023**

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</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>	<u>Total</u>
Brass Castle	040	\$108,856	\$109,732	\$112,006	\$94,873	\$211,624	\$290,095	\$195,618	\$216,707	\$209,101	\$138,258	\$1,686,870
Port Colden	050	76,874	77,492	79,098	66,998	149,447	204,864	138,144	153,038	147,666	97,637	1,191,258
PC Old Schoolhouse		6,936	6,992	7,137	6,045	13,484	18,484	12,464	13,808	13,323	8,810	107,483
<b>Total School Facilities</b>		<b>192,666</b>	<b>194,216</b>	<b>198,241</b>	<b>167,916</b>	<b>374,555</b>	<b>513,443</b>	<b>346,226</b>	<b>383,553</b>	<b>370,090</b>	<b>244,705</b>	<b>2,985,611</b>
Other Facilities												
<b>Grand Total</b>		<b>\$192,666</b>	<b>\$194,216</b>	<b>\$198,241</b>	<b>\$167,916</b>	<b>\$374,555</b>	<b>\$513,443</b>	<b>\$346,226</b>	<b>\$383,553</b>	<b>\$370,090</b>	<b>\$244,705</b>	<b>\$2,985,611</b>

WASHINGTON TOWNSHIP SCHOOL DISTRICT

**INSURANCE SCHEDULE**

**June 30, 2023**

**UNAUDITED**

**Exhibit J-20**

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

\* School Alliance Insurance Fund (SAIF)

SOURCE: District Records

# **Single Audit Section**



## **ARDITO & COMPANY LLC**

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

Anthony Ardito, CPA, RMA, CMFO, PSA

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

#### Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Township School District Board of Education in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Washington Township School District Board of Education's basic financial statements, and have issued our report thereon dated October 26, 2023.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Ardito & Company LLC*

ARDITO & COMPANY LLC  
October 26, 2023

*Anthony Ardito*

Anthony Ardito  
Certified Public Accountant  
Licensed Public School Accountant No. 2369  
ARDITO & COMPANY LLC  
Frenchtown, New Jersey  
October 26, 2023



## **ARDITO & COMPANY LLC**

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

Anthony Ardito, CPA, RMA, CMFO, PSA

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

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

#### **Report on Compliance for Each Major State Program**

##### ***Opinion on Each Major State Program***

We have audited the Washington Township School District Board of Education's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. The Washington Township School District Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

##### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, and New Jersey OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

##### ***Responsibilities of Management for Compliance***

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

-Continued-



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

In performing an audit in accordance with generally accepted auditing standards, ***Government Auditing Standards***, and New Jersey OMB Circular 15-08, we:

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

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

### ***Report on Internal Control Over Compliance***

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

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

-Continued-

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

*Ardito & Company LLC*

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Frenchtown, New Jersey

October 26, 2023

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October 26, 2023

WASHINGTON TOWNSHIP SCHOOL DISTRICT

K-3

Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2023

Schedule A

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance At June 30, 2022	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Adjust.	Repayment of Prior Years' Balances	Balance at June 30, 2023			Cumulative Total Expenditures
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education Passed-Through State Department of Education: Special Revenue Fund:</b>																
Title I	84.010	S010A220030	ESEA23	\$46,259	7/1/22	6/30/23	\$ (9,862)		\$ 56,121	\$ (46,259)						\$ 46,259
Title II Part A	84.367	S367B220027	ESEA23	9,636	7/1/22	6/30/23	(556)		10,192	(9,949)	\$ 313					9,949
Title IV	84.424A	S424B220031	ESEA23	10,000	7/1/22	6/30/23	(2,973)		12,973	(10,379)	379					10,379
Total ESEA							(13,391)	-	79,286	(66,587)	692	-	-	-	-	66,587
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	FT553023	149,284	7/1/22	6/30/23	(14,705)		163,989	(149,284)						149,284
I.D.E.A. Part B, Basic Preschool	84.173	H173A220114	FT553023	11,452	7/1/22	6/30/23	-		11,452	(11,452)						11,452
American Rescue Plan-IDEA Basic	84.027X	H027X210100	ARP IDEA	18,322	3/13/20	9/30/24	(8,322)		8,322	-						18,322
Total Special Education Cluster							(23,027)	-	183,763	(160,736)	-	-	-	-	-	179,058
Rural Education Achievement Program	84.358A	S358B220030	S358A222753	38,855	7/1/22	9/30/23			38,855	(38,855)						38,855
American Rescue Plan-ESSER III	84.425U	S425U220027	ARP	266,893	3/13/20	9/30/24	-		216,905	(218,164)		\$ (49,988)	\$ 48,729			218,164
American Rescue Plan-Accel. Learn. Coaching & Ed. Support	84.425U	S425U220027	ARP	50,000	3/13/20	9/30/24	-		-	(2,158)		(50,000)	47,842			2,158
American Rescue Plan-Evidence Based Summer Learning	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	-		-	-		(40,000)	40,000			-
American Rescue Plan-Evidence Based Beyond the Sch. Day	84.425U	S425U220027	ARP	40,000	3/13/20	9/30/24	(22,085)		27,258	(6,138)		(12,742)	11,777			28,223
American Rescue Plan-NJTSS Mental Health Support Staffing	84.425U	S425U220027	ARP	45,000	3/13/20	9/30/24	-		17,240	(17,345)		(27,760)	27,655			17,345
CRRSA ESSER II	84.425D	S425D220027	CRRSA	118,754	3/13/20	9/30/23	(87,953)		87,953	-		-	-			118,754
CRRSA Learning	84.425D	S425D220027	CRRSA	25,000	3/13/20	9/30/23	-		25,000	(25,000)		-	-			25,000
CRRSA Mental Health	84.425D	S425D220027	CRRSA	45,000	3/13/20	9/30/23	(8,915)		23,494	(14,579)		-	-			45,000
Total Education Stabilization Fund							(118,953)	-	397,850	(283,384)	-	-	(180,490)	176,003	-	454,644
<b>Total Special Revenue Fund</b>							<b>(155,371)</b>	<b>-</b>	<b>699,754</b>	<b>(549,562)</b>	<b>692</b>	<b>-</b>	<b>(180,490)</b>	<b>176,003</b>	<b>-</b>	<b>739,144</b>
<b>U.S. Department of Agriculture Passed-Through State Dept. of Education Enterprise Fund:</b>																
Child Nutrition Cluster:																
Food Distribution Program	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	1,957			(1,957)						1,957
Food Distribution Program	10.555	231NJ304N1199	N/A	11,449	7/1/22	6/30/23			11,449	(7,442)			4,007			7,442
School Breakfast Program	10.553	221NJ304N1099	N/A		7/1/21	6/30/22	(3,988)		3,988							
School Breakfast Program	10.553	231NJ304N1199	N/A	11,384	7/1/22	6/30/23			10,781	(11,384)		(603)				11,384
National School Lunch Program	10.555	221NJ304N1099	N/A		7/1/21	6/30/22	(12,013)		12,013							
National School Lunch Program	10.555	231NJ304N1199	N/A	52,495	7/1/22	6/30/23			50,409	(52,495)		(2,086)				52,495
Supply Chain Assistance Funding	10.555	231NJ344N8903	N/A	32,329	7/1/22	6/30/23			32,329	(32,329)		-				32,329
<b>Total Enterprise Fund</b>							<b>(14,044)</b>	<b>-</b>	<b>120,969</b>	<b>(105,607)</b>	<b>-</b>	<b>-</b>	<b>(2,689)</b>	<b>4,007</b>	<b>-</b>	<b>105,607</b>
<b>General Fund Fund:</b>																
CNP School Meals Equipment	10.579	221NJ354N8103	N/A	40,000	4/1/23	8/30/23			-	(36,469)		(36,469)				36,469
<b>Total General Fund</b>							<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,469)</b>	<b>-</b>	<b>-</b>	<b>(36,469)</b>	<b>-</b>	<b>-</b>	<b>36,469</b>
<b>TOTAL FEDERAL ASSISTANCE</b>							<b>\$ (169,415)</b>	<b>-</b>	<b>\$ 820,723</b>	<b>\$ (691,638)</b>	<b>\$ 692</b>	<b>-</b>	<b>\$ (219,648)</b>	<b>\$ 180,010</b>	<b>-</b>	<b>\$ 881,220</b>

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

Note: This Schedule was not subject to an audit in accordance with OMB Uniform Guidance.

WASHINGTON TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2023

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2022	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	BALANCE AT JUNE 30, 2023				MEMO		
									REPAYMENT OF PRIOR YEARS' BALANCES	(ACCTS. RECEIV.)	INTERFUND PAYABLE/ DEFER. REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPEND.	
<b>State Department of Education</b>															
<b>General Fund:</b>															
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	\$ 484,286			\$ 484,286	\$ (484,286)								
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	258,367			258,367	(258,367)							\$ 47,963	\$ 484,286
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	351,820			351,820	(351,820)							25,588	258,367
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	49,011			49,011	(49,011)							34,844	351,820
Supplemental Stabilization Aid	23-100-034-5120-494	7/1/22-6/30/23	224,213			224,213	(224,213)							4,854	49,011
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	88,899			-	(88,899)			\$ (88,899)					88,899
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	110,797	\$ (110,797)		110,797	-								110,797
Non- Public Transportation Aid	23-100-034-5120-068	7/1/22-6/30/23	3,432			-	(3,432)			(3,432)					3,432
Non- Public Transportation Aid	22-100-034-5120-068	7/1/21-6/30/22	1,740	(1,740)		1,740	-								1,740
On Behalf TPAF Pension	23-495-034-5094-002	7/1/22-6/30/23	1,510,687			1,510,687	(1,510,687)								1,510,687
On Behalf TPAF Pension PMR	23-495-034-5094-001	7/1/22-6/30/23	396,854			396,854	(396,854)								396,854
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004	7/1/22-6/30/23	776			776	(776)								776
Reimb. TPAF Soc.Secur.Contrib.	23-495-034-5094-003	7/1/22-6/30/23	312,412	(29,306)		326,323	(312,412)			(15,395)					312,412
<b>Total General Fund</b>				<b>(141,843)</b>		<b>3,714,874</b>	<b>(3,680,757)</b>			<b>(107,726)</b>				<b>113,249</b>	<b>3,793,294</b>
<b>Special Revenue Fund:</b>															
School Climate Change Pilot	Not Available	4/1/23-6/30/23	6,660			6,660	(6,660)								6,660
N.J. Nonpublic Aid:															
Technology Aid	22-100-034-5120-373	7/1/21-6/30/22	336	3		-	-			\$ (3)					-
Security Aid	22-100-034-5120-509	7/1/21-6/30/22	2,625	92		-	-			(92)					-
SDA Grant - Emergency and Capital Aid	Not Available	7/1/22-6/30/23	8,988			8,988	(8,988)			-					8,988
<b>Total Special Revenue Fund</b>				<b>95</b>	<b>-</b>	<b>15,648</b>	<b>(15,648)</b>			<b>(95)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,648</b>
<b>State Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
Nat.School Lunch Prog.(State Share)	22-100-010-3350-023	7/1/21-6/30/22		(277)		277									
Nat.School Lunch Prog.(State Share)	23-100-010-3350-023	7/1/22-6/30/23	2,671			2,560	(2,671)			(111)					2,671
<b>Total Enterprise Fund</b>				<b>(277)</b>		<b>2,837</b>	<b>(2,671)</b>			<b>(111)</b>					<b>2,671</b>
<b>Total State Financial Assistance</b>				<b>\$ (142,025)</b>	<b>-</b>	<b>\$ 3,733,359</b>	<b>\$ (3,699,076)</b>	<b>-</b>	<b>(95)</b>	<b>\$ (107,837)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 113,249</b>	<b>\$ 3,811,613</b>
<u>Less On-behalf TPAF Pension Amounts:</u>															
On Behalf TPAF Pension	23-495-034-5094-002						1,510,687								
On Behalf TPAF Pension PMR	23-495-034-5094-001						396,854								
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004						776								
<b>Total State Expenditures Subject to Major Program Determination</b>							<b>\$ (1,790,759)</b>								

Less On-behalf TPAF Pension Amounts:

On Behalf TPAF Pension	23-495-034-5094-002						1,510,687								
On Behalf TPAF Pension PMR	23-495-034-5094-001						396,854								
On Behalf TPAF Pension LTD Ins	23-495-034-5094-004						776								
<b>Total State Expenditures Subject to Major Program Determination</b>							<b>\$ (1,790,759)</b>								

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

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$33,620 for the general fund and (\$4,278) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF STATE FINANCIAL ASSISTANCE  
JUNE 30, 2023

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	-	\$ 3,710,945	\$ 3,710,945
Special Revenue Fund	\$ 546,074	15,648	561,722
Food Service Fund	<u>105,607</u>	<u>2,671</u>	<u>108,278</u>
Total Financial Assistance	<u>\$ 651,681</u>	<u>\$ 3,729,264</u>	<u>\$ 4,380,945</u>

**NOTE 4. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted? \_\_\_ Yes **x** No

**Federal Awards**

**Not Applicable**

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No

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

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

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

Identification of major programs:

<u>Assistance Listing</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

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

Auditee qualified as low-risk auditee? \_\_\_ yes \_\_\_ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**State Financial Assistance Section**

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

Auditee qualified as low-risk auditee? x\_yes\_  \_no

Internal Control over major programs:

1) Material weakness(es) identified?   \_yes\_  \_x\_  \_no

2) Were significant deficiencies identified that were not considered to be material weaknesses?   \_yes\_  \_x\_  \_none

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

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

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

23-495-034-5122-078	Equalization Aid (State Aid Cluster)
23-495-034-5122-089	Special Education Aid (State Aid Cluster)
23-495-034-5122-084	Security Aid (State Aid Cluster)
23-100-034-5120-494	Supplemental Stabilization Aid
23-495-034-5094-003	Reimb. TPAF Soc. Security Contrib.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Section II-Financial Statement Findings**

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

**Financial Statement**      N/A

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

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

**Federal Awards**              N/A

**State Awards**                N/A

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**STATUS OF PRIOR YEAR FINDINGS**

N/A

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