

SCHOOL DISTRICT OF LOGAN TOWNSHIP

LOGAN BOARD OF EDUCATION

Logan Township, New Jersey

County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

LOGAN TOWNSHIP SCHOOL DISTRICT

LOGAN TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Prepared by

**Logan Township School District
Business Office**

OUTLINE OF CAFR

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INTRODUCTORY SECTION

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Logan Township School District

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November 30, 2017

Honorable President and Members
of the Board of Education
Logan Township School District
County of Gloucester, New Jersey

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Logan Township School District for the fiscal year ended June 30, 2017, 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 Logan Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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

Introductory Section:

Section contains a Letter of Transmittal, Roster of Officials, Consultants and Advisors, and an Organizational Chart.

Financial Section:

Section contains the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information (RSI) and Other Supplementary Information.

Statistical Section:

Section contains selected financial trends, revenue and debt capacity, demographic, economic and other operating information, generally presented on a multi-year basis.

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

REPORTING ENTITY AND ITS SERVICES

The Logan Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standard Board (GASB) as established by NCGA Statement No. 3. All funds of the School District are included in this report. The School District has no component units.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular as well as special education for children with special needs. The School District’s enrollment, as of October 15th, for the current and past nine fiscal years are detailed below.

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|--------------------|---------------------------|-----------------------|
| 2016-2017 | 843 | -0.82% |
| 2015-2016 | 850 | 0.83% |
| 2014-2015 | 843 | 0.48% |
| 2013-2014 | 839 | 0.12% |
| 2012-2013 | 838 | -4.66% |
| 2011-2012 | 879 | 0.57% |
| 2010-2011 | 874 | -3.21% |
| 2009-2010 | 903 | 0.33% |
| 2008-2009 | 900 | 2.74% |
| 2007-2008 | 876 | -6.11% |

ECONOMIC CONDITION AND OUTLOOK

Three large industrial parks are located in Logan Township. The Logistic Center at Logan comprises 1,100 acres and the Pureland Industrial Complex covers 3,000 acres. The third industrial park, the Commodore Business Center, is located along the Rt. 322 industrial corridor partially in Logan Township and partially in adjacent Woolwich Township. Pureland Industrial Park is the largest industrial park in the state and has been hailed as the top "ultra-successful" business park in the U.S. according to Site Selection magazine. The Logan Township population has increased from 3,078 in 1980 to 5,968 in 2016.

For the 2013-14 school year, a re-valuation of the Township’s property was completed and is reflected below. It is important to note that while the ratables increase, the tax rate drops due to the fact that the amount the municipality must raise is not changing. The new assessments are simply a foundation used to apportion the tax burden among taxpayers. Therefore, while a revaluation usually means an increase in each assessment, it does mean that taxes will increase for each individual taxpayer. Since then, ratables have increased \$449,874,911. The continuing increase in commercial and industrial ratables has softened the effect of taxes increases on residential property over the years.

- 2012 - \$614,301,549
- 2013 - \$1,048,963,089
- 2014 - \$1,045,919,769
- 2015 - \$1,033,308,512
- 2016 - \$1,052,335,560
- 2017 - \$1,064,176,460

MAJOR INITIATIVES

Logan Township is an innovative school district, which places a priority on excellence, equity and student growth. To this end, technology tools are used to enhance student learning. Our District has a one-on-one digital device (presently Chromebooks) initiative for all students in grades 2 to 8. In addition to this, there are a variety of devices (including iPads and Chromebooks) available to our students in Pre-K, Kindergarten and First Grade for daily use in the classroom. Besides these resources, the district has dedicated 3.7 district staff members to provide support for the various technology needs (both in the classroom and in school and district offices) to maintain a 21st century technology-centric environment. Technology Education (S.T.E.M./Science, Technology, Engineering and Mathematics) is provided for all students in grades 3 to 8. A pre-engineering class is offered before and after school to seventh and eighth grade students who meet district criteria. Eighth grade students who meet district criteria in math, also have the opportunity to enroll in Algebra I. All students in grades 1 to 7 have weekly World Language (Spanish or Italian) instruction. Eighth grade students have the option to take a full year of Spanish I or Italian I, if they meet certain academic criteria. After school programs and clubs provide opportunities to participate in drama, choir, dance, art, board games, athletics, and many other extra-curricular areas. Performing Arts activities provide opportunities for students to share their particular talent. As our schools are centered in a culturally diverse community, our faculty is dedicated to ensuring equitable access to all students in each of these programs.

The District strives to remain on the cutting edge in the area of technology in order that our students have the proper technological skills that are required in the 21st century workplace environment. There is a newly-revised Three-Year Technology Plan for Digital Learning for 2016 to 2019 for each of the three schools, which places a heavy emphasis on using technology for teaching, learning and assessments. This plan was developed as a result of a tech survey distributed to all district parents and teachers and to students in grades 5 to 8. Logan Township School District is committed to providing an infrastructure, which supports the ever-growing integration of technology to increase effectiveness and efficiency. Over the past several years, with the addition of a full-time Instructional Technology Coordinator and a full-time Curriculum Supervisor to our staff, there is on-going communication and coordination in district to fully integrate technology into daily instruction and usage, thus mirroring tomorrow's work environment.

The District continues to be a leader in placing a strong emphasis on pre-school education. A state grant has been used over the past ten years to serve the at-risk population. In 2010, the District was able to utilize ARRA Federal Stimulus Funds to expand the pre-school program to provide a more inclusive educational environment. Continuation of the pre-school program in the future continues to be dependent on the on-going commitment of the Board of Education, on State pre-school aid and or tuition from parents.

The District continues to be proactive in addressing building maintenance issues. Many components of the Five-Year Facility Maintenance Plan have been addressed. These include upgrades to the security cameras to include new placements in corridors and additional placements around the exterior of the Logan Schools building and Center Square School and various safety upgrades to the physical plant on both campuses. Energy-cost savings initiatives include changes to the lighting in several large group areas and hallways in

both district buildings. The District was successful in their application for four R.O.D. (Regular Operating District) Grants which, include replacing Logan School's cooling tower, the addition of an HVAC cooling system to the gymnasium, replacing the boiler, and replacing exterior doors at the Logan Schools building.

District curricula are continually being revised by teams of teachers, under the direction of the District Curriculum Supervisor, because the district is committed to maintaining alignment to the New Jersey Student Learning Standards and to the Next Generation Science Standards (NGSS). A continuous upgrading of instructional resources and teacher training, provided as a result of the partnership of the Supervisor of Curriculum and the three schools' principals, succeed in focusing the teaching and learning on the State's Standards. Focus continues to be on implementing the Marzano Causal Framework for Teaching and Learning as the foundation for the successful implementation of the Marzano Teacher and Principal Evaluation Systems.

Professional Learning Opportunities are carefully planned and executed. A professional development plan for each school is prepared and followed annually in accordance with state regulations. Training in the various elements of the Marzano evaluation model, on the ever-changing technology world and on development of assessments which inform instruction are several foci of professional learning opportunities. In addition, a comprehensive mentor plan outlines services and support provided to teachers new to the profession. Both of these plans have been created with input from each school's SCIP (School Improvement Panel).

INTERNAL ACCOUNTING CONTROLS

Management of the School 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 and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general 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 delivered; and (2) the valuation of costs and benefits require 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 evaluations by the district management.

As part of the School 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.

BUDGETARY CONTROLS

In addition to internal accounting controls, the School 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 cancelled or included as re-appropriations of fund balance in the subsequent year.

ACCOUNTING SYSTEM AND REPORTS

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

FINANCIAL POLICIES

The intent of the School Board is to ensure that the School District manages its budget and finance in a fiscally prudent and responsible way by establishing financial policies for the Budget, Fund Balance and the maintenance of adequate reserves. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues except for certain grant revenues, are recognized when susceptible to accrual that is when they become measurable and available. Property taxes, interest and certain General Fund revenues are the significant revenue sources considered susceptible to accrual.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting 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.

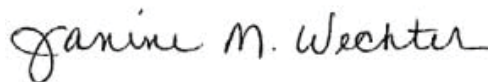
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the 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 accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



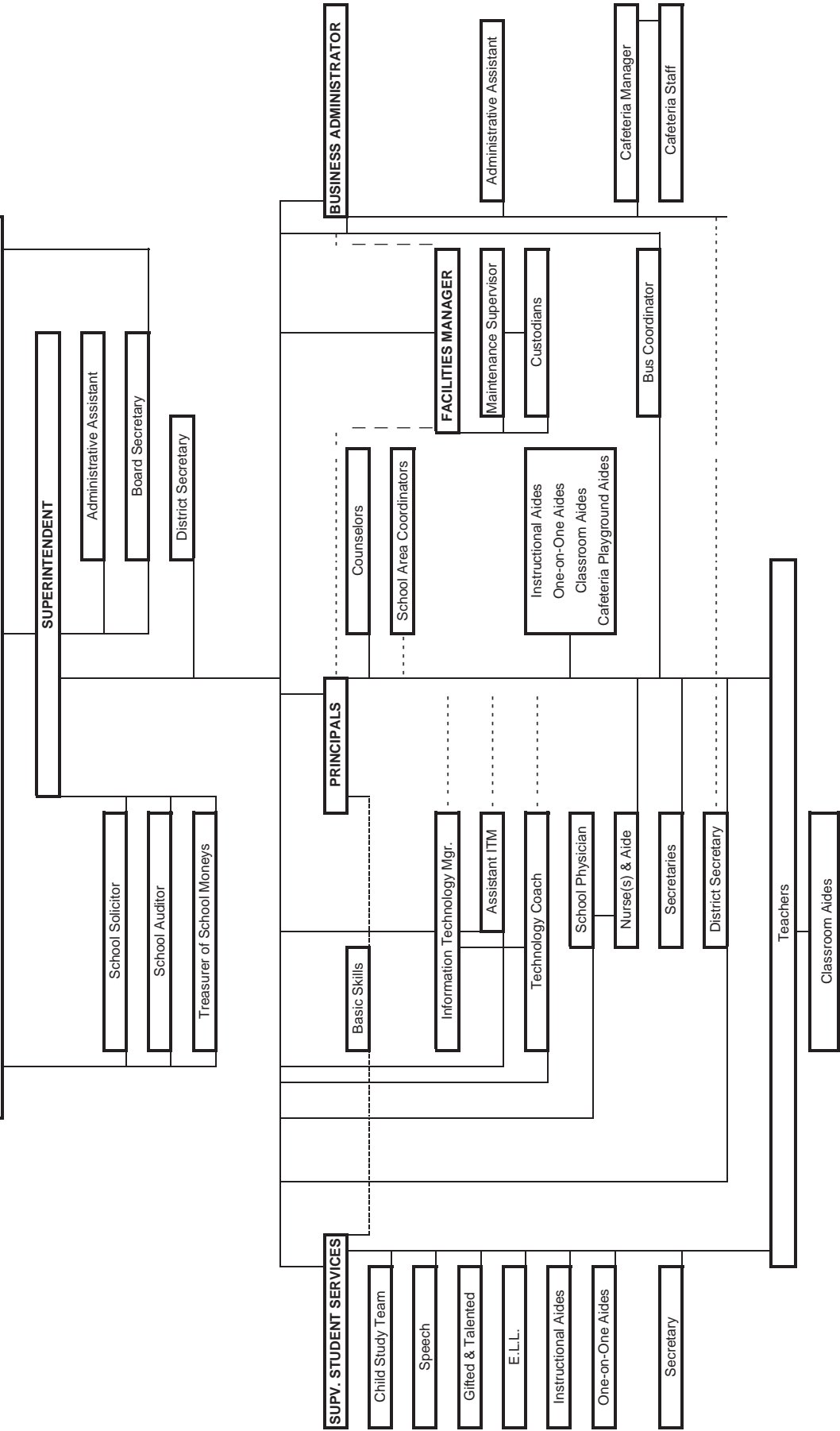
Superintendent



School Business Administrator

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LOGAN TOWNSHIP BOARD OF EDUCATION



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LOGAN TOWNSHIP SCHOOL DISTRICT
110 School Lane
Logan Township, New Jersey 08085

ROSTER OF OFFICIALS

June 30, 2017

| MEMBERS OF THE BOARD OF EDUCATION | TERM EXPIRES |
|--|---------------------|
| Francis E. Donnelly, Preseident | 2018 |
| Carolyn W. Kegler, Vice President | 2018 |
| Kristen Lombardo | 2018 |
| John Russell | 2019 |
| LynNae Hill | 2019 |
| Kelley Mason | 2019 |
| Brian Bowen | 2017 |
| Nathan DeForest | 2017 |
| Shawn Donnelly | 2017 |

OTHER OFFICIALS

Patricia L. Haney, Superintendent

Janine M. Wechter, Business Administrator

Lisa Toff, Board Secretary

Robert L. Best, Treasurer

Joseph F. Betley, Esq., Solicitor

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**LOGAN TOWNSHIP SCHOOL DISTRICT
LOGAN TOWNSHIP, NEW JERSEY**

CONSULTANTS AND ADVISORS

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Logan Township School District
County of Gloucester
Swedesboro, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Logan Township School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Logan Township School District, County of Gloucester, State of New Jersey, as of June 30, 2017, 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.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Logan Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules 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.

The introductory section and statistical section listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Michael Holt", with a stylized flourish at the end.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 30, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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LOGAN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

As management of the Logan Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

LOGAN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

The School District's one enterprise fund (Food Service Fund) is listed individually and is considered to be a major fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

LOGAN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2017 compared to fiscal year 2016.

Table 1
Summary of Net Position

| | June 30, <u>2017</u> | June 30, <u>2016</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|----------------------------------|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Current & Other Assets | \$ 4,073,115 | \$ 3,830,239 | \$ 242,876 | 6.3% |
| Capital Assets, Net | 9,887,127 | 10,421,808 | (534,681) | -5.1% |
| Total Assets | <u>13,960,242</u> | <u>14,252,047</u> | <u>(291,805)</u> | -2.0% |
| Deferred Outflow of Resources | <u>1,555,283</u> | 711,281 | 844,002 | 118.7% |
| Current and other Liabilities | 401,931 | 274,552 | 127,379 | 46.4% |
| Noncurrent Liabilities | <u>5,842,186</u> | <u>5,274,178</u> | <u>568,008</u> | 10.8% |
| Total Liabilities | <u>6,244,117</u> | <u>5,548,730</u> | <u>695,387</u> | 12.5% |
| Deferred Inflow of Resources | <u>-</u> | 53,906 | (53,906) | -100.0% |
| Net Position: | | | | |
| Net Investment in Capital Assets | 8,799,101 | 8,765,294 | 33,807 | 0.4% |
| Restricted | 3,834,204 | 3,478,095 | 356,109 | 10.2% |
| Unrestricted (Deficit) | <u>(3,361,897)</u> | <u>(2,882,697)</u> | <u>(479,200)</u> | 16.6% |
| Total Net Position | <u>\$ 9,271,408</u> | <u>\$ 9,360,692</u> | <u>\$ (89,284)</u> | -1.0% |

LOGAN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2017 compared to fiscal year 2016.

Table 2
Summary of Changes in Net Position

| | June 30, <u>2017</u> | June 30, <u>2016</u> | Increase/ <u>(Decrease)</u> | Percentage <u>Change</u> |
|--|-------------------------|-------------------------|--------------------------------|-----------------------------|
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 192,778 | \$ 202,096 | \$ (9,318) | -4.6% |
| Operating Grants & Contributions | 2,251,107 | 3,867,590 | (1,616,483) | -41.8% |
| General Revenues: | | | | |
| Property Taxes | 12,573,320 | 12,092,027 | 481,293 | 4.0% |
| Federal & State Aid | 5,656,435 | 5,758,069 | (101,634) | -1.8% |
| Other General Revenues | 158,714 | 189,788 | (31,074) | -16.4% |
| Total Revenues | <u>20,832,354</u> | <u>22,109,570</u> | <u>(1,277,216)</u> | <u>-5.8%</u> |
| Function/Program Expenditures: | | | | |
| Regular Instruction | 5,422,319 | 5,471,789 | (49,470) | -0.9% |
| Special Education Instruction | 891,712 | 839,769 | 51,943 | 6.2% |
| Basic Skill/Remedial Instruction | 389,862 | 390,573 | (711) | -0.2% |
| Other Instruction | 44,692 | 47,786 | (3,094) | -6.5% |
| Tuition | 3,309,968 | 3,496,071 | (186,103) | -5.3% |
| Student & Instruction Related Services | 1,839,235 | 1,686,687 | 152,548 | 9.0% |
| General Administrative | 627,322 | 628,382 | (1,060) | -0.2% |
| School Administrative Services | 268,207 | 261,465 | 6,742 | 2.6% |
| Plant Operations & Maintenance | 1,512,407 | 1,546,971 | (34,564) | -2.2% |
| Pupil Transportation | 1,115,518 | 1,040,754 | 74,764 | 7.2% |
| Unallocated Benefits | 2,576,126 | 4,078,929 | (1,502,803) | -36.8% |
| On Behalf TPAF Pension and Social | | | | |
| Security Contributions | 1,759,928 | 1,500,804 | 259,124 | 100.0% |
| Adjustment to Fixed Assets | 166,999 | - | 166,999 | 100.0% |
| Interest & Other Charges | 45,388 | 65,858 | (20,470) | -31.1% |
| Unallocated Depreciation | 633,880 | 629,466 | 4,414 | 0.7% |
| Food Service | 318,075 | 283,058 | 35,017 | 12.4% |
| Total Expenditures | <u>20,921,638</u> | <u>21,968,362</u> | <u>(1,046,724)</u> | <u>-4.8%</u> |
| Change In Net Position | (89,284) | 141,208 | (230,492) | -163.2% |
| Net Position - Beginning | 9,360,692 | 9,219,484 | 141,208 | 1.5% |
| Net Position - Ending | <u>\$ 9,271,408</u> | <u>\$ 9,360,692</u> | <u>\$ (89,284)</u> | <u>-1.0%</u> |

Governmental Activities

During the fiscal year 2017, the net position of governmental activities decreased by \$79,979 or 0.01%. The primary reason for the decrease was due to depreciation of capital assets.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$9,153,848, with an unrestricted deficit balance of \$(3,447,653). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

LOGAN TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

| | | |
|--|-----------|------------------|
| Unrestricted Net Position (With GASB 68) | \$ | (3,447,653) |
| Add back: PERS Pension Liability | | 4,449,442 |
| Less: Deferred Outflows related to pensions | | (1,555,283) |
| Add back: Deferred Inflows related to pensions | | - |
| Unrestricted Net Position (Without GASB 68) | <u>\$</u> | <u>(553,494)</u> |

Business-type Activities

During the fiscal year 2017, the net position of business-type activities decreased by \$9,305 or 7.3%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$117,560.

General Fund Budgeting Highlights

Final budgeted revenues were \$17,678,488, which was equal to the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$95,369.

Final budgeted appropriations was \$19,060,054, which was an increase of \$75,131 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year’s budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$1,563,432.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$3,994,665 at June 30, 2017, an increase of \$277,235 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$3,758,706, an increase of \$293,354 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$293,229 or 9.2% to \$3,483,524 at June 30, 2017, compared to a decrease of \$19,593 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- The district froze spending in some areas due to the uncertainty of our state aid funding because of declining enrollment.

LOGAN TOWNSHIP SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Special revenue fund – During the current fiscal year, the fund balance of the School District’s special revenue fund increased by \$125 or 4.4% to \$(2,696) at June 30, 2017, compared to an increase of \$809 in fund balance in the prior fiscal year.

Capital projects fund - There was no change in the fund balance for the capital projects fund.

Debt service fund - There was no change in the fund balance for the debt service fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund decreased by \$9,305 or 7.3% to \$117,560 at June 30, 2017, compared to an increase of \$23,427 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- The district incurred additional costs in the current year because we were understaffed in the previous year. In addition, we invested extra funds into our program in order to reduce excess cash.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$9,887,127 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School Districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$33,807. This decrease is primarily due to the current year depreciation of capital assets exceed the pay down of debt. Table 4 shows fiscal 2017 balances compared to 2016.

Table 4
Summary of Capital Assets

| <u>Capital Asset (Net of Depreciation):</u> | <u>June 30,</u> <u>2017</u> | <u>June 30,</u> <u>2016</u> | <u>Increase/</u> <u>(Decrease)</u> | <u>Percentage</u> <u>Change</u> |
|---|--------------------------------|--------------------------------|---------------------------------------|------------------------------------|
| Land | \$ 115,872 | \$ 115,872 | \$ - | 0.0% |
| Land Improvements | 236,063 | 254,612 | (18,549) | -7.3% |
| Building and Improvements | 9,074,345 | 9,482,061 | (407,716) | -4.3% |
| Equipment | 460,847 | 569,263 | (108,416) | -19.0% |
| | <u>\$ 9,887,127</u> | <u>\$ 10,421,808</u> | <u>\$ (534,681)</u> | <u>-5.1%</u> |

Depreciation expense for the year was \$636,801. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

LOGAN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$1,085,000, which is a decrease of \$545,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District's Future

- The Logan Township School District is financially stable at the present time. The District is proud of its community support of the public schools. The NJ Department of Education released Accountability Regulations in January 2009. These regulations established additional regulatory authority over district budgets by the Executive County Superintendent, established rules and regulations regarding district travel expenses, administrator compensation, budget preparation, excessive spending, district consolidation, etc.
- State aid has been relatively flat for a number of years; however, the district has been able to maintain programs and staff. The District has also been able to make deposits into capital and maintenance reserves and has continued to pay down long term debt, which has resulted in a decrease in taxes. In some years, the District has been able to keep the tax increase below the 2% tax levy cap. The District considers the impact of taxes increases on taxpayers while ensuring we are able to budget sufficient funds to meet our District Goals as well as our Strategic Plan Goals, which drive our budget.
- The future of state aid is uncertain for New Jersey School Districts, especially those with declining enrollment. The District was notified in late June of a loss in state aid for the 17-18 school year in the amount of \$108,328. We were able to absorb this loss by using capital and maintenance reserve funds for some of the projects included in the budget. However, the district may continue to lose funds over the next several years and may see an increase in our tuition costs for our high school students due to the allocation of more state aid to our receiving high school. We are monitoring the situation the best we can, while hoping for increased funding for all schools, especially in the area of special education.
- A three-year labor agreement for teachers, aides, and custodians was unanimously approved by the District Board of Education and by the Logan Teacher Education Association (LTEA) and signed on April 14th, 2016 which extends until June 30th, 2019. The settlement with a 2.5% increase for each of the next three years is considered a reasonable settlement.
- It is important that the District continues to be able to complete capital improvement projects. It is one of the Board of Education's goals and a budget priority to continue to upgrade and maintain the physical plants of the district. The Board, through the budget process, has deposited funds into its capital and maintenance reserves in previous years. The District continues to budget funds in its operating budget for small capital projects and maintenance projects.

LOGAN TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

- The District expects limited growth in enrollment over the next few years. The current schools' capacity is sufficient to accommodate this growth. There were plans proposed to the township for the development of large parcels of farmland in the Repaupo area of the township. However, this project has never taken off. It may be years before this proposal, which would have significant impact upon the district, becomes viable.

In conclusion, the Logan Township School District has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Office of the Business Administrator, Logan Township School District, 110 School Lane, Logan Township, NJ 08085. Please visit our website at www.logan.k12.nj.us.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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LOGAN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

| ASSETS | GOVERNMENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTAL |
|--|----------------------------|---------------------------------|---------------------|
| Cash & Cash Equivalents | \$ 1,417,253 | \$ 106,500 | \$ 1,523,753 |
| Receivables, Net (Note 4) | 1,869,847 | 8,312 | 1,878,159 |
| Inventory | - | 1,891 | 1,891 |
| Restricted Cash & Cash Equivalents | 669,312 | - | 669,312 |
| Capital Assets, Net (Note 5) | | | |
| Non-Depreciable | 115,872 | - | 115,872 |
| Depreciable | 9,739,450 | 31,805 | 9,771,255 |
| Total Assets | 13,811,734 | 148,508 | 13,960,242 |
| DEFERED OUTFLOWS OF RESOURCES | | | |
| Related to Pensions (Note 8) | 1,555,283 | - | 1,555,283 |
| Total Deferred Outflows of Resources | 1,555,283 | - | 1,555,283 |
| Total Assets and Deferred Outflows of Resources | 15,367,017 | 148,508 | 15,515,525 |
| LIABILITIES | | | |
| Accounts Payable | 183,212 | 28,800 | 212,012 |
| Accrued Interest on Debt | 19,892 | - | 19,892 |
| Prepaid Lunches | - | 2,148 | 2,148 |
| Unearned Revenue | 14,494 | - | 14,494 |
| Due to Other Governments | 153,385 | - | 153,385 |
| Noncurrent Liabilities (Note 7): | | | |
| Due Within One Year | 543,026 | - | 543,026 |
| Due Beyond One Year | 5,299,160 | - | 5,299,160 |
| Total Liabilities | 6,213,169 | 30,948 | 6,244,117 |
| NET POSITION | | | |
| Net Investments in Capital Assets | 8,767,296 | 31,805 | 8,799,101 |
| Restricted For: | | | |
| Debt Service | 1 | - | 1 |
| Capital Projects | 544,100 | - | 544,100 |
| Maintenance Reserve | 403,089 | - | 403,089 |
| Excess Surplus | 2,887,015 | - | 2,887,015 |
| Unrestricted (Deficit) | (3,447,653) | 85,755 | (3,361,897) |
| Total Net Position | \$ 9,153,848 | \$ 117,560 | \$ 9,271,408 |

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

LOGAN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

| FUNCTIONS/PROGRAMS | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | | | BUSINESS- TYPE ACTIVITIES | TOTAL |
|--|--|----------------------------|--|----------------------------|---------------------------------|--------------|
| | EXPENSES | CHARGES FOR SERVICES | PROGRAM REVENUES OPERATING GRANTS & CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | | |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 5,422,319 | \$ - | \$ 340,733 | \$ (5,081,586) | \$ - | (5,081,586) |
| Special Education | 891,712 | - | - | (891,712) | - | (891,712) |
| Basic Skill/Remedial Instruction | 389,862 | - | - | (389,862) | - | (389,862) |
| Other Instruction | 44,692 | - | - | (44,692) | - | (44,692) |
| Support Services & Undistributed Costs: | | | | | | |
| Tuition | 3,309,968 | - | - | (3,309,968) | - | (3,309,968) |
| Student & Instruction Related Services | 1,839,235 | - | 34,454 | (1,804,781) | - | (1,804,781) |
| School Administrative Services | 268,207 | - | - | (268,207) | - | (268,207) |
| General & Business Administrative Services | 627,322 | - | - | (627,322) | - | (627,322) |
| Plant Operations & Maintenance | 1,512,407 | - | - | (1,512,407) | - | (1,512,407) |
| Pupil Transportation | 1,115,518 | - | - | (1,115,518) | - | (1,115,518) |
| Unallocated Benefits | 2,576,126 | - | - | (2,576,126) | - | (2,576,126) |
| On-Behalf TPAF Pension and Social Security Contributions | 1,759,928 | - | 1,759,928 | - | - | - |
| Interest and Charges on Long-Term Debt | 45,388 | - | - | (45,388) | - | (45,388) |
| Revaluation of Fixed Assets | 166,999 | - | - | (166,999) | - | (166,999) |
| Unallocated Depreciation | 633,880 | - | - | (633,880) | - | (633,880) |
| Total Governmental Activities | 20,603,563 | - | 2,135,115 | (18,468,448) | - | (18,468,448) |

LOGAN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

| FUNCTIONS/PROGRAMS | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | | | TOTAL |
|---|--|----------------------------|--|---------------------------------|--------------|
| | EXPENSES | CHARGES FOR SERVICES | PROGRAM REVENUES OPERATING GRANTS & CONTRIBUTIONS | BUSINESS- TYPE ACTIVITIES | |
| Business-Type Activities: | | | | | |
| Food Service | 318,075 | 192,778 | 115,992 | (9,305) | (9,305) |
| Total Business - Type Activities | 318,075 | 192,778 | 115,992 | (9,305) | (9,305) |
| Total Primary Government | 20,921,638 | 192,778 | 2,251,107 | (9,305) | (18,477,753) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes, Levied for General Purposes | | 12,164,903 | | - | 12,164,903 |
| Taxes Levied for Debt Service | | 408,417 | | - | 408,417 |
| Federal & State Restricted | | 190,201 | | - | 190,201 |
| Federal & State Aid Not Restricted | | 5,466,234 | | - | 5,466,234 |
| Tuition Received | | 117,489 | | - | 117,489 |
| Miscellaneous Income | | 41,225 | | - | 41,225 |
| Total General Revenues & Transfers | | 18,388,469 | | - | 18,388,469 |
| Change In Net Position | | (79,979) | | (9,305) | (89,284) |
| Net Position - Beginning | | 9,233,827 | | 126,865 | 9,360,692 |
| Net Position - Ending | | 9,153,848 | | 117,560 | 9,271,408 |

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

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B. Fund Financial Statements

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Governmental Funds

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**LOGAN TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL |
|--|---------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| Assets: | | | | | |
| Cash & Cash Equivalents | \$ 1,458,896 | \$ - | \$ - | \$ 1 | \$ 1,458,897 |
| Receivables: | | | | | |
| State | 1,338,348 | 1,596 | 464,686 | - | 1,804,630 |
| Federal | - | 55,246 | - | - | 55,246 |
| Other | 9,971 | - | - | - | 9,971 |
| Due from Other Funds | 186,809 | 291 | - | - | 187,100 |
| Restricted Cash & Cash Equivalents | 669,312 | - | - | - | 669,312 |
| Total Assets | \$ 3,663,336 | \$ 57,133 | \$ 464,686 | \$ 1 | \$ 4,185,156 |
| Liabilities & Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Cash Deficit | \$ - | \$ 41,644 | \$ - | \$ - | \$ 41,644 |
| Accounts Payable | 165,261 | 17,951 | - | - | 183,212 |
| Due to Other Funds | 291 | - | 186,809 | - | 187,100 |
| Unearned Revenue | 14,260 | 234 | - | - | 14,494 |
| Total Liabilities | 179,812 | 59,829 | 186,809 | - | 426,450 |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Capital Reserve Account | 266,223 | - | - | - | 266,223 |
| Maintenance Reserve | 403,089 | - | - | - | 403,089 |
| Tuition Reserve Designated for Subsequent Year's Expenditures | - | - | - | - | - |
| Excess Surplus | 1,629,661 | - | - | - | 1,629,661 |
| Excess Surplus Designated for Subsequent Year's Expenditures | 1,257,354 | - | - | - | 1,257,354 |
| Capital Projects Fund | - | - | 277,877 | - | 277,877 |
| Debt Service Fund | - | - | - | 1 | 1 |
| Unassigned Fund Balance: | | | | | |
| General Fund | (72,803) | - | - | - | (72,803) |
| Special Revenue Fund | - | (2,696) | - | - | (2,696) |
| Total Fund Balances | 3,483,524 | (2,696) | 277,877 | 1 | 3,758,706 |
| Total Liabilities & Fund Balances | \$ 3,663,336 | \$ 57,133 | \$ 464,686 | \$ 1 | |

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 \$23,502,359 and the accumulated depreciation is \$13,647,037. | 9,855,322 |
| Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds. | |
| Deferred Outflows related to pensions | 1,555,283 |
| Deferred Inflows related to pensions | - |
| Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. | (5,842,186) |
| Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. | (153,385) |
| Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. | (19,892) |
| Net position of Governmental Activities | <u>\$ 9,153,848</u> |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

| | GENERAL FUND | SPECIAL REVENUE FUND | CAPITAL PROJECTS FUND | DEBT SERVICE FUND | TOTAL |
|---|---------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | \$ 12,164,903 | \$ - | \$ - | \$ 408,417 | \$ 12,573,320 |
| Tuition Charges | 117,489 | - | - | - | 117,489 |
| Miscellaneous | 29,028 | 12,197 | - | - | 41,225 |
| Total Local Sources | <u>12,311,420</u> | <u>12,197</u> | <u>-</u> | <u>408,417</u> | <u>12,732,034</u> |
| State Sources | 7,238,359 | 35,491 | - | 190,201 | 7,464,051 |
| Federal Sources | - | 327,499 | - | - | 327,499 |
| Total Revenues | <u>19,549,779</u> | <u>375,187</u> | <u>-</u> | <u>598,618</u> | <u>20,523,584</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Regular Instruction | 5,081,711 | 340,608 | - | - | 5,422,319 |
| Special Education Instruction | 891,712 | - | - | - | 891,712 |
| Basic Skills/Remedial - Instruction | 389,862 | - | - | - | 389,862 |
| Other Instruction | 44,692 | - | - | - | 44,692 |
| Support Services & Undistributed Costs: | | | | | |
| Tuition | 3,309,968 | - | - | - | 3,309,968 |
| Student & Instruction Related Services | 1,828,269 | 34,454 | - | - | 1,862,723 |
| School Administrative Services | 268,207 | - | - | - | 268,207 |
| General & Business Administrative Services | 627,322 | - | - | - | 627,322 |
| Plant Operations & Maintenance | 1,512,407 | - | - | - | 1,512,407 |
| Pupil Transportation | 1,115,518 | - | - | - | 1,115,518 |
| Unallocated Benefits | 2,184,153 | - | - | - | 2,184,153 |
| On Behalf TPAF Pension and Social Security Contributions | 1,759,928 | - | - | - | 1,759,928 |
| Capital Outlay | 241,664 | - | - | - | 241,664 |
| Debt Service: | | | | | |
| Principal | - | - | - | 545,000 | 545,000 |
| Interest & Other Charges | 1,137 | - | - | 53,618 | 54,755 |
| Total Expenditures | <u>19,256,550</u> | <u>375,062</u> | <u>-</u> | <u>598,618</u> | <u>20,230,230</u> |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | <u>293,229</u> | <u>125</u> | <u>-</u> | <u>-</u> | <u>293,354</u> |
| Net Change in Fund Balances | 293,229 | 125 | - | - | 293,354 |
| Fund Balance - July 1 | <u>3,190,295</u> | <u>(2,821)</u> | <u>277,877</u> | <u>1</u> | <u>3,465,352</u> |
| Fund Balance - June 30 | <u>\$ 3,483,524</u> | <u>\$ (2,696)</u> | <u>\$ 277,877</u> | <u>\$ 1</u> | <u>\$ 3,758,706</u> |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 293,354

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.

When capital outlays and other adjustments exceed depreciation, the difference is an addition in the reconciliation (+); when depreciation and other adjustments exceed capital outlays the difference is a reduction to the reconciliation (-)

| | | | |
|--------------------------|----|----------------|-----------|
| Depreciation Expense | \$ | (633,880) | |
| Capital Asset Adjustment | | (166,999) | |
| Capital Outlays | | <u>241,664</u> | (559,215) |

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (352,153)

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

| | | | |
|------------------------|--|---------------|---------|
| Serial Bonds | | 545,000 | |
| Capital Lease Payments | | <u>23,488</u> | 568,488 |

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). 9,367

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (39,820)

Change in Net Position of Governmental Activities \$ (79,979)

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

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Proprietary Funds

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**LOGAN TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017**

| ASSETS | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u> |
|-----------------------------------|--|
| Current Assets: | |
| Cash & Cash Equivalents | \$ 106,500 |
| Accounts Receivable | |
| State | 261 |
| Federal | 8,051 |
| Inventories | <u>1,891</u> |
| Total Current Assets | <u>116,703</u> |
| Noncurrent Assets: | |
| Furniture, Machinery & Equipment | 185,850 |
| Less: Accumulated Depreciation | <u>(154,045)</u> |
| Total Noncurrent Assets | <u>31,805</u> |
| Total Assets | <u>148,508</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts Payable | 28,800 |
| Prepaid Lunches | <u>2,148</u> |
| Total Liabilities | <u>30,948</u> |
| NET POSITION | |
| Net Investments in Capital Assets | 31,805 |
| Unrestricted | <u>85,755</u> |
| Total Net Position | <u>\$ 117,560</u> |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 AS OF JUNE 30, 2017**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS |
|--|---|
| | FOOD SERVICE |
| Operating Revenues: | |
| Charges for Services: | |
| Daily Sales - Reimbursable Programs | \$ 139,577 |
| Daily Sales - Nonreimbursable Programs | 53,201 |
| | 192,778 |
| Total Operating Revenues | 192,778 |
| Operating Expenses: | |
| Salaries & Benefits | 137,714 |
| Supplies & Materials | 31,234 |
| Cost of Sales - Reimbursable Programs | 98,426 |
| Cost of Sales - Non-Reimbursable Programs | 20,489 |
| Depreciation | 2,921 |
| Miscellaneous | 27,291 |
| | 27,291 |
| Total Operating Expenses | 318,075 |
| Operating Income/(loss) | (125,297) |
| Nonoperating Revenues/(Expenses): | |
| State Sources: | |
| State School Lunch Program | 2,893 |
| Federal Sources: | |
| National School Lunch Program | 75,624 |
| National School Breakfast Program | 13,224 |
| Food Distribution Program | 24,056 |
| Interest & Investment Revenue | 195 |
| | 195 |
| Total Nonoperating Revenues/(Expenses) | 115,992 |
| Income/(Loss) Before Contributions & Transfers | (9,305) |
| Change in Net Position | (9,305) |
| Total Net Position - Beginning | 126,865 |
| Total Net Position - Ending | \$ 117,560 |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 AS OF JUNE 30, 2017**

| | <u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS FOOD SERVICE</u> |
|---|---|
| Cash Flows From Operating Activities: | |
| Receipts from Customers | \$ 219,089 |
| Payments to Employees | (137,714) |
| Payments to Suppliers | <u>(153,384)</u> |
| Net Cash Provided/(Used) by Operating Activities | <u>(72,009)</u> |
| Cash Flows From Noncapital Financing Activities: | |
| State & Federal Sources | <u>91,741</u> |
| Net Cash Provided/(Used) by Noncapital Financing Activities | <u>91,741</u> |
| Cash Flows From Investing Activities: | |
| Net Cash Provided/(Used) by Investing Activities | <u>195</u> |
| Net Cash Provided/(Used) by Investing Activities | <u>195</u> |
| Cash Flows from Capital Financing Activities: | |
| Purchase of Capital Assets | <u>(27,455)</u> |
| Net Cash Used by Capital Financing Activities | <u>(27,455)</u> |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (7,528) |
| Balances - Beginning of Year | <u>114,028</u> |
| Balances - End of Year | <u><u>\$ 106,500</u></u> |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | |
| Operating Income/(Loss) | \$ (125,297) |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | |
| Depreciation & Net Amortization | 2,921 |
| Food Distribution Program | 24,056 |
| Changes in Assets & Liabilities: | |
| (Increase)/Decrease in Accounts Receivable | 10,723 |
| (Increase)/Decrease in Inventories | 5,879 |
| Increase/(Decrease) in Current Liabilities | <u>9,709</u> |
| Total Adjustments | <u>53,288</u> |
| Net Cash Provided/(Used) by Operating Activities | <u><u>\$ (72,009)</u></u> |

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

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Fiduciary Fund

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**LOGAN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

| ASSETS | PRIVATE PURPOSE | | AGENCY | | TOTAL |
|-----------------------------------|-----------------|-------------|-----------|------------|------------|
| | UNEMPLOYMENT | SCHOLARSHIP | STUDENT | | |
| | COMPENSATION | | ACTIVITY | PAYROLL | |
| | TRUST FUND | | | | |
| Cash & Cash Equivalents | \$ 42,500 | \$ 6,251 | \$ 26,948 | \$ 302,650 | \$ 378,349 |
| Total Assets | 42,500 | 6,251 | 26,948 | 302,650 | 378,349 |
| LIABILITIES | | | | | |
| Payroll Deductions & Withholdings | - | - | - | 298,506 | 298,506 |
| Due to Student Groups | - | - | 26,948 | - | 26,948 |
| Flexible Spending | - | - | - | 4,144 | 4,144 |
| Total Liabilities | - | - | 26,948 | 302,650 | 329,598 |
| NET POSITION | | | | | |
| Restricted for: | | | | | |
| Unemployment Claims | 42,500 | - | - | - | 42,500 |
| Scholarships | - | 6,251 | - | - | 6,251 |
| Total Net Position | \$ 42,500 | \$ 6,251 | \$ - | \$ - | \$ 48,751 |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

| ADDITIONS | PRIVATE PURPOSE | | TOTAL |
|---|-----------------|------------------------------|-----------|
| | SCHOLARSHIP | UNEMPLOYMENT COMPENSATION | |
| Local Sources: | | | |
| Transfer from Payroll Agency Account | \$ - | \$ 12,181 | \$ 12,181 |
| Investment Earnings: | | | |
| Interest | 15 | 176 | 191 |
| Total Additions | 15 | 12,357 | 12,372 |
| DEDUCTIONS | | | |
| Quarterly Contributions Reports | - | 15,881 | 15,881 |
| Scholarships Awarded | 200 | - | 200 |
| Total Deductions | 200 | 15,881 | 16,081 |
| Change in Net Position | (185) | (3,524) | (3,709) |
| Net Position - Beginning of the Year | 6,436 | 46,024 | 52,460 |
| Net Position - End of the Year | \$ 6,251 | \$ 42,500 | \$ 48,751 |

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

LOGAN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Logan Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Logan Township School District is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through eighth at its two schools. The School District has an approximate enrollment at June 30, 2017 of 843 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The School District had no component units as of for the year ended June 30, 2017.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all 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 sub-fund.

As required by the New Jersey Department of Education the School 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and Agency Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

The School District reports the following fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The School District currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the School District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the one or more June 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue 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.

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> | <u>Business-Type Activities Estimated Lives</u> |
|----------------------------|--|---|
| Land Improvements | 10-20 Years | N/A |
| Buildings and Improvements | 10-50 Years | N/A |
| Furniture and Equipment | 5-20 Years | 5-12 Years |
| Vehicles | 5-10 Years | 4-6 Years |

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-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 proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – This component of 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.
- Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this Statement had no impact on the School District's financial statements

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The adoption of this Statement had no impact on the School District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the School District's financial statements.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District’s financial statements.

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District’s financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District’s financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District’s financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2017, the School District’s bank balance of \$3,470,477 was exposed to custodial credit risk as follows:

| | |
|--------------------------------|--------------------|
| Insured under FDIC and GUDPA | \$3,075,936 |
| Uninsured and Uncollateralized | <u>394,541</u> |
| | <u>\$3,470,477</u> |

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 2. Deposits and Investments (continued):

Investments

The School District had no investments at June 30, 2017.

Note 3. Reserve Accounts

Capital Reserve

A capital reserve account was established by the School District by inclusion of \$150,000 in the 1995-1996 original capital 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 School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(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, 2016 to June 30, 2017 fiscal year is as follows:

| | |
|---------------------------------|-------------------|
| Beginning Balance, July 1, 2016 | \$ 264,757 |
| Increased by: | |
| Interest Earnings | <u>1,466</u> |
| Ending Balance, June 30, 2017 | <u>\$ 266,223</u> |

Maintenance Reserve

The School District established a maintenance reserve account for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 3. Reserve Accounts (continued):

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District’s approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

| | |
|---------------------------------|------------|
| Beginning Balance, July 1, 2016 | \$ 400,930 |
| Increased by: | |
| Interest Earnings | 2,159 |
| Ending Balance, June 30, 2017 | \$ 403,089 |

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District’s governmental and business-type activities as of June 30, 2017, consisted of the following:

| <u>Description</u> | Governmental Funds | | | <u>Total Governmental Activities</u> | <u>Proprietary Funds</u> | | <u>Total Business-Type Activities</u> |
|--------------------|-------------------------|-------------------------------------|--------------------------------------|--|------------------------------|-------------------------------------|---|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | | <u>Food Service Fund</u> | <u>Business-Type Activities</u> | |
| Federal Awards | \$ - | \$ 55,246 | \$ - | \$ 55,246 | \$ 8,051 | \$ 8,051 | |
| State Awards | 81,016 | 1,596 | 464,686 | 547,298 | 261 | 261 | |
| Other | 1,267,303 | - | - | 1,267,303 | - | - | |
| Total | \$ 1,348,319 | \$ 56,842 | \$ 464,686 | \$ 1,869,847 | \$ 8,312 | \$ 8,312 | |

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follows:

| | Balance July 1, <u>2016</u> | <u>Additions</u> | Retirements and Transfers | Balance June 30, <u>2017</u> |
|--|-----------------------------------|---------------------|------------------------------|------------------------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 115,872 | \$ - | \$ - | \$ 115,872 |
| Total Capital Assets not being depreciated | <u>115,872</u> | <u>-</u> | <u>-</u> | <u>115,872</u> |
| Capital Assets being depreciated: | | | | |
| Land Improvements | 842,767 | - | - | 842,767 |
| Buildings and Improvements | 20,627,912 | 117,767 | - | 20,745,679 |
| Equipment | 1,923,005 | 123,897 | (248,861) | 1,798,041 |
| Total Capital Assets being depreciated | <u>23,393,684</u> | <u>241,664</u> | <u>(248,861)</u> | <u>23,386,487</u> |
| Less: Accumulated Depreciation: | | | | |
| Land Improvements | (588,155) | (18,549) | - | (606,704) |
| Buildings and Improvements | (11,145,851) | (525,483) | - | (11,671,334) |
| Equipment | (1,361,013) | (89,848) | 81,862 | (1,368,999) |
| Total Accumulated Depreciation | <u>(13,095,019)</u> | <u>(633,880)</u> | <u>81,862</u> | <u>(13,647,037)</u> |
| Total Capital Assets being depreciated, net | <u>10,298,665</u> | <u>(392,216)</u> | <u>(166,999)</u> | <u>9,739,450</u> |
| Total Governmental Activities Capital Assets, net | <u>\$ 10,414,537</u> | <u>\$ (392,216)</u> | <u>\$ (166,999)</u> | <u>\$ 9,855,322</u> |
| | | | | |
| | Balance July 1, <u>2016</u> | <u>Additions</u> | Retirements and Transfers | Balance June 30, <u>2017</u> |
| Business-Type Activities: | | | | |
| Equipment | \$ 166,999 | \$ 27,455 | \$ (8,604) | \$ 185,850 |
| | <u>166,999</u> | <u>27,455</u> | <u>(8,604)</u> | <u>185,850</u> |
| Less: Accumulated Depreciation: | | | | |
| Equipment | (159,728) | (2,921) | 8,604 | (154,045) |
| | <u>(159,728)</u> | <u>(2,921)</u> | <u>8,604</u> | <u>(154,045)</u> |
| Total Business-Type Activities Capital Assets, net | <u>\$ 7,271</u> | <u>\$ 24,534</u> | <u>\$ -</u> | <u>\$ 31,805</u> |

Depreciation expense was not allocated among the various functions/programs of the School District.

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2017 are as follows:

| <u>Fund</u> | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-----------------------|----------------------------------|-------------------------------|
| General Fund | \$ 186,809 | \$ 291 |
| Special Revenue Fund | 291 | |
| Capital Projects Fund | | 186,809 |
| | <u>\$ 187,100</u> | <u>\$ 187,100</u> |

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no current year interfund transfers.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental and business-type activities:

| | <u>Balance July 1, 2016</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2017</u> | <u>Balance Due Within One Year</u> |
|--------------------------|---------------------------------|---------------------|-------------------|----------------------------------|--|
| Governmental Activities: | | | | | |
| General Obligation Bonds | \$ 1,630,000 | \$ - | \$ 545,000 | \$ 1,085,000 | \$ 540,000 |
| Capital Leases | 26,514 | - | 23,488 | 3,026 | 3,026 |
| Compensated Absences | 264,898 | 39,820 | - | 304,718 | - |
| Net Pension Liability | 3,352,766 | 1,096,676 | - | 4,449,442 | - |
| | <u>\$ 5,274,178</u> | <u>\$ 1,136,496</u> | <u>\$ 568,488</u> | <u>\$ 5,842,186</u> | <u>\$ 543,026</u> |

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On April 20, 2005, the School District issued \$4,840,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 4.00% and mature on July 15, 2018.

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations (continued):

Principal and interest due on the outstanding bonds is as follows:

| Fiscal Year Ending <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|------------------|-----------------|--------------|
| 2018 | \$ 540,000 | \$ 32,600 | \$ 572,600 |
| 2019 | 545,000 | 10,900 | 555,900 |
| | \$ 1,085,000 | \$ 43,500 | \$ 1,128,500 |

Capital Lease Payable

On August 1, 2013, the School District entered into a lease purchase agreement in the amount of \$79,514 for computer equipment. The lease obligation was issued at an interest rate of 5.10% and matures on June 30, 2018.

The future minimum lease payments for this lease is as follows:

| Fiscal Year Ending <u>June 30,</u> | |
|---|----------|
| 2018 | \$ 3,181 |
| Total Minimum Lease Payments | 3,181 |
| Less: Amount Representing Interest | (155) |
| Present Value of Minimum Lease Payments | \$ 3,026 |

Amortization of the leased equipment under capital assets is included with depreciation expense.

Bonds Authorized but not Issued

As of June 30, 2017, the School District had no bonds authorized but not issued.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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.

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$4,449,442 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was 0.0150%, which was an increase of 0.0001% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$485,611 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between Expected and Actual Experience | \$ 82,746 | \$ - |
| Changes of Assumptions | 921,687 | - |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 169,661 | - |
| Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions | 227,804 | - |
| School District contributions subsequent to measurement date | 153,385 | - |
| | \$ 1,555,283 | \$ - |

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees’ Retirement System (PERS) (continued):

\$153,385 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is due April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending <u>June 30,</u> | | |
|--|-----------|------------------|
| 2018 | \$ | 325,194 |
| 2019 | | 325,197 |
| 2020 | | 362,394 |
| 2021 | | 297,460 |
| 2022 | | 91,651 |
| | \$ | 1,401,896 |

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | - | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 6.44 | - |
| June 30, 2015 | 5.72 | - |
| June 30, 2016 | 5.57 | - |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2014 | 5.00 | - |
| June 30, 2015 | 5.00 | - |
| June 30, 2016 | 5.00 | - |

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

| | |
|---------------------------|----------------------------|
| Inflation Rate | 3.08% |
| Salary Increases: | |
| Through 2026 | 1.65% - 4.15% Based on Age |
| Thereafter | 2.65% - 5.15% Based on Age |
| Investment Rate of Return | 7.65% |

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees’ Retirement System (PERS) (continued):

asset class included in PERS’s target asset allocation as of June 30, 2016 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Cash | 5.00% | 0.87% |
| U.S. Treasuries | 1.50% | 1.74% |
| Investment grade credit | 8.00% | 1.79% |
| Mortgages | 2.00% | 1.67% |
| High Yield Bonds | 2.00% | 4.56% |
| Inflation-Indexed Bonds | 1.50% | 3.44% |
| Broad U.S. Equities | 26.00% | 8.53% |
| Developed Foreign Equities | 13.25% | 6.83% |
| Emerging Market Equities | 6.50% | 9.95% |
| Private Equity | 9.00% | 12.40% |
| Hedge Funds/Absolute Return | 12.50% | 4.68% |
| Real Estate (Property) | 2.00% | 6.91% |
| Commodities | 0.50% | 5.45% |
| Global debt ex U.S. | 5.00% | -0.25% |
| REIT | 5.25% | 5.63% |

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District’s proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School 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:

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

A. Public Employees' Retirement System (PERS) (continued):

| | At 1% Decrease <u>(2.98%)</u> | At Current Discount Rate <u>(3.98%)</u> | At 1% Increase <u>(4.98%)</u> |
|---|--|--|--|
| School District's Proportionate Share of the Net Pension Liability | <u>\$ 5,452,272</u> | <u>\$ 4,449,442</u> | <u>\$ 3,621,519</u> |

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

| | | | | |
|---|----|----------------|----|----------------|
| Collective Deferred Outflows of Resources | \$ | 7,815,204,785 | \$ | 2,946,265,815 |
| Collective Deferred Inflows of Resources | \$ | - | \$ | 360,920,604 |
| Collective Net Pension Liability | \$ | 29,617,131,759 | \$ | 22,447,996,119 |

| | | | | |
|---------------------------|--|----------|--|----------|
| School District's portion | | 0.01502% | | 0.01494% |
|---------------------------|--|----------|--|----------|

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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.

The following represents the membership tiers for TPAF:

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

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

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

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District 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 School District 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 local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$45,887,248. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0583%, which was a decrease of 0.0026% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the State of New Jersey recognized a pension expense in the amount of \$3,447,788 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2016 measurement date.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|---------------------------|----------------------------|
| Inflation Rate | 2.50% |
| Salary Increases: | |
| 2012-2021 | Varies based on experience |
| Thereafter | Varies based on experience |
| Investment Rate of Return | 7.65% |

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|--------------------------|---|
| Cash | 5.00% | 0.39% |
| U.S. Government Bonds | 1.50% | 1.28% |
| U.S. Credit Bonds | 13.00% | 2.76% |
| U.S. Mortgages | 2.00% | 2.38% |
| U.S. Inflation-Indexed Bonds | 1.50% | 1.41% |
| U.S. High Yield Bonds | 2.00% | 4.70% |
| U.S. Equity Market | 26.00% | 5.14% |
| Foreign Developed Equity | 13.25% | 5.91% |
| Emerging Market Equities | 6.50% | 8.16% |
| Private Real Estate Property | 5.25% | 3.64% |
| Timber | 1.00% | 3.86% |
| Farmland | 1.00% | 4.39% |
| Private Equity | 9.00% | 8.97% |
| Commodities | 0.50% | 2.87% |
| Hedge Funds - MultiStrategy | 5.00% | 3.70% |
| Hedge Funds - Equity Hedge | 3.75% | 4.72% |
| Hedge Funds - Distressed | 3.75% | 3.49% |

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the net pension liability, attributable to the School District's 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:

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

B. Teachers' Pension and Annuity Fund (TPAF) (continued):

| | At 1% Decrease <u>(2.22%)</u> | At Current Discount Rate <u>(3.22%)</u> | At 1% Increase <u>(4.22%)</u> |
|--|--|--|--|
| State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District | <u>\$ 54,799,629</u> | <u>\$ 45,887,248</u> | <u>\$ 38,609,139</u> |
| | <u>\$ 54,799,629</u> | <u>\$ 45,887,248</u> | <u>\$ 38,609,139</u> |

Pension Plan Fiduciary Net Position - 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.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued):

- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$18,288, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$31,755.

Note 9. State Post-Retirement Medical Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$689,276, \$574,324 and \$1,813, respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

| <u>Fiscal Year</u> | <u>Employee Contributions</u> | <u>Interest Earnings</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|--------------------|-----------------------------------|------------------------------|------------------------------|---------------------------|
| 2016-2017 | \$ 12,181 | \$ 176 | \$ 15,881 | \$ 42,500 |
| 2015-2016 | 13,594 | 65 | 4,415 | 46,024 |
| 2014-2015 | 13,265 | 4 | 862 | 36,780 |

Property and Liability Insurance – The School 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 Comprehensive Annual Financial Report.

Joint Insurance Pool – The School District also participates in the School Alliance Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

| | |
|--|---|
| Property – Blanket Building & Grounds Environmental Impairment Liability School Board Legal Liability Employers Liability | General & Automobile Liability Workers’ Compensation Excess Liability Comprehensive Crime Coverage |
|--|---|

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District currently is involved in no litigation.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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:

AXA Equitable
ING Financial Services

Note 14. Compensated Absences

The School 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.

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide Statement of Net Position was \$304,718.

LOGAN TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, 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.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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, 2017 was \$1,629,661.

Note 17. Fund Balances

General Fund – Of the \$3,483,524 General Fund fund balance at June 30, 2017, \$266,223 has been restricted for the Capital Reserve Account; \$403,089 has been restricted for the Maintenance Reserve Account; \$1,629,661 has been restricted for current year excess surplus; \$1,257,354 is restricted for prior year excess surplus – designated for subsequent year's expenditures; and \$(72,803) has been unassigned.

Capital Projects Fund – Of the \$277,877 Capital Projects Fund fund balance at June 30, 2017, \$277,877 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$1 Debt Service Fund fund balance at June 30, 2017, \$1 is restricted for future debt service payments.

LOGAN TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 18. Deficit Fund Balances

The School District has a deficit fund balance of \$72,803 in the General Fund and \$2,696 in the Special Revenue Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$75,499 is less than the last state aid payment.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$3,447,653 at June 30, 2017. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2017. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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LOGAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| ACCOUNT NUMBERS | JUNE 30, 2017 | | | | VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE) | |
|--|-----------------|-------------------|----------------|-------------------|---|------------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | | |
| Revenues: | | | | | | |
| Local Sources: | | | | | | |
| Local Tax Levy | 10-1210-000-000 | \$ 12,164,903 | \$ - | \$ 12,164,903 | \$ 12,164,903 | \$ - |
| Tuition from Individuals | 10-1310-000-000 | 80,000 | - | 80,000 | 92,725 | 12,725 |
| Tuition from LEA's Within State | 10-1320-000-000 | 15,000 | - | 15,000 | 2,352 | (12,648) |
| Tuition from Other Sources | 10-1340-000-000 | - | - | - | 22,412 | 22,412 |
| Interest Earned on Capital Reserve | 10-1000-000-000 | 300 | - | 300 | 1,466 | 1,166 |
| Interest Earned on Maintenance Reserve | 10-1000-000-000 | 500 | - | 500 | 2,159 | 1,659 |
| Miscellaneous | 10-1000-000-000 | 12,000 | - | 12,000 | 25,403 | 13,403 |
| Total Local Sources | | 12,272,703 | - | 12,272,703 | 12,311,420 | 38,717 |
| State Sources: | | | | | | |
| Extraordinary Aid | 10-3000-000-000 | - | - | - | 48,995 | 48,995 |
| Nonpublic Transportation Aid | 10-3200-000-000 | - | - | - | 5,742 | 5,742 |
| Categorical Special Education Aid | 10-3132-000-000 | 633,953 | - | 633,953 | 633,953 | - |
| Equalization Aid | 10-3176-000-000 | 3,990,950 | - | 3,990,950 | 3,990,950 | - |
| Categorical Security Aid | 10-3177-000-000 | 101,621 | - | 101,621 | 101,621 | - |
| Categorical Transportation Aid | 10-3121-000-000 | 384,544 | - | 384,544 | 384,544 | - |
| Adjustment Aid | 10-3178-000-000 | 262,787 | - | 262,787 | 262,787 | - |
| Per Pupil Growth Aid | 10-3182-000-000 | 10,620 | - | 10,620 | 10,620 | - |
| PARCC Readiness Aid | 10-3181-000-000 | 10,620 | - | 10,620 | 10,620 | - |
| Professional Learning Community Aid | 10-3183-000-000 | 10,690 | - | 10,690 | 10,690 | - |
| State Reimbursed Lead Test | 10-3300-000-000 | - | - | - | 1,915 | 1,915 |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Pension Contributions | | - | - | - | 689,276 | 689,276 |
| On-Behalf TPAF Medical Contributions | | - | - | - | 574,324 | 574,324 |
| On-Behalf TPAF Long-Term Disability Insurance | | - | - | - | 1,813 | 1,813 |
| Reimbursed TPAF Social Contributions | | - | - | - | 494,515 | 494,515 |
| Total State Sources | | 5,405,785 | - | 5,405,785 | 7,222,365 | 1,816,580 |
| Total Revenues | | 17,678,488 | - | 17,678,488 | 19,533,785 | 1,855,297 |
| Expenditures: | | | | | | |
| Current Expense: | | | | | | |
| Instruction - Regular Programs: | | | | | | |
| Salaries of Teachers: | | | | | | |
| Preschool | 11-105-100-101 | 83,845 | 228 | 84,073 | 84,048 | 25 |
| Kindergarten | 11-110-100-101 | 427,003 | (9,508) | 417,495 | 413,891 | 3,604 |
| Grades 1 - 5 | 11-120-100-101 | 2,078,474 | 9,280 | 2,087,754 | 2,083,017 | 4,737 |
| Grades 6 - 8 | 11-130-100-101 | 1,795,025 | - | 1,795,025 | 1,776,355 | 18,670 |
| Home Instruction: | | | | | | |
| Salaries of Teachers | 11-150-100-101 | 2,000 | - | 2,000 | 263 | 1,737 |
| Purchased Professional - Educational Services | 11-150-100-320 | 6,000 | - | 6,000 | 3,120 | 2,880 |
| Regular Programs - Undistributed Instruction: | | | | | | |
| Other Salaries for Instruction | 11-190-100-106 | 140,687 | 10,096 | 150,783 | 150,783 | - |
| Purchased Professional - Educational Services | 11-190-100-320 | 125,650 | (5,223) | 120,427 | 107,809 | 12,618 |
| Purchased Technical Services | 11-190-100-340 | 99,520 | (6,025) | 93,495 | 62,193 | 31,302 |
| Other Purchased Services | 11-190-100-500 | 259,514 | - | 259,514 | 207,216 | 52,298 |
| General Supplies | 11-190-100-610 | 189,519 | (8,656) | 180,863 | 135,278 | 45,585 |
| Textbooks | 11-190-100-640 | 70,150 | 4,740 | 74,890 | 49,681 | 25,209 |
| Other Objects | 11-190-100-800 | 11,504 | 300 | 11,804 | 8,057 | 3,747 |
| Total Regular Programs - Instruction | | 5,288,891 | (4,768) | 5,284,123 | 5,081,711 | 202,412 |
| Special Education: | | | | | | |
| Learning & Language Disabilities: | | | | | | |
| Salaries of Teachers | 11-204-100-101 | 201,950 | 1,445 | 203,395 | 199,147 | 4,248 |
| Purchased Professional - Educational Services | 11-204-100-320 | 1,606 | 2,218 | 3,824 | 3,824 | - |
| General Supplies | 11-204-100-610 | 5,650 | 675 | 6,325 | 6,034 | 291 |
| Total Learning & Language Disabilities | | 209,206 | 4,338 | 213,544 | 209,005 | 4,539 |

LOGAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| | ACCOUNT NUMBERS | JUNE 30, 2017 | | | | VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE) |
|---|-----------------|------------------|------------------|------------------|------------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Multiple Disabilities: | | | | | | |
| Salaries of Teachers | 11-212-100-101 | 200,858 | (2,037) | 198,821 | 198,066 | 755 |
| Other Salaries for Instruction | 11-212-100-106 | 23,073 | 20,370 | 43,443 | 43,443 | - |
| Purchased Professional - Educational Services | 11-212-100-320 | 2,450 | 550 | 3,000 | 2,947 | 53 |
| General Supplies | 11-212-100-610 | 1,500 | - | 1,500 | 1,399 | 101 |
| Total Multiple Disabilities | | 227,881 | 18,883 | 246,764 | 245,855 | 909 |
| Resource Room/Resource Center: | | | | | | |
| Salaries of Teachers | 11-213-100-101 | 397,906 | (19,951) | 377,955 | 372,740 | 5,215 |
| Other Salaries for Instruction | 11-213-100-106 | 23,073 | (8,057) | 15,016 | 15,016 | - |
| Purchased Professional - Educational Services | 11-213-100-320 | 3,967 | - | 3,967 | 3,371 | 596 |
| General Supplies | 11-213-100-610 | 4,725 | - | 4,725 | 4,204 | 521 |
| Total Resource Room/Resource Center | | 429,671 | (28,008) | 401,663 | 395,331 | 6,332 |
| Preschool Disabilities - Part-Time: | | | | | | |
| Salaries of Teachers | 11-215-100-101 | 30,585 | - | 30,585 | 30,585 | - |
| Other Salaries for Instruction | 11-215-100-106 | 16,914 | (6,290) | 10,624 | 9,784 | 840 |
| Purchased Professional - Educational Services | 11-215-100-320 | 450 | 600 | 1,050 | 973 | 77 |
| General Supplies | 11-215-100-610 | 500 | - | 500 | 179 | 321 |
| Total Preschool Disabilities - Part-Time | | 48,449 | (5,690) | 42,759 | 41,521 | 1,238 |
| Total Special Education | | 915,207 | (10,477) | 904,730 | 891,712 | 13,018 |
| Basic Skills/Remedial: | | | | | | |
| Salaries of Teachers | 11-230-100-101 | 391,021 | (714) | 390,307 | 380,157 | 10,150 |
| Purchased Professional - Educational Services | 11-230-100-320 | 5,700 | - | 5,700 | 2,295 | 3,405 |
| General Supplies | 11-230-100-610 | 2,625 | (600) | 2,025 | 1,994 | 31 |
| Textbooks | 11-230-100-640 | 4,800 | 600 | 5,400 | 5,396 | 4 |
| Total Basic Skills/Remedial | | 404,146 | (714) | 403,432 | 389,842 | 13,590 |
| Bilingual Education - Instruction: | | | | | | |
| General Supplies | 11-240-100-610 | 100 | 100 | 200 | 20 | 180 |
| Total Bilingual Education - Instruction | | 100 | 100 | 200 | 20 | 180 |
| School Sponsored Cocurricular Activities: | | | | | | |
| Salaries | 11-401-100-100 | 31,860 | - | 31,860 | 25,984 | 5,876 |
| Purchased Services | 11-401-100-500 | 1,000 | - | 1,000 | - | 1,000 |
| Supplies and Materials | 11-401-100-600 | 11,500 | 5,000 | 16,500 | 9,619 | 6,881 |
| Total School Sponsored Cocurricular Activities | | 44,360 | 5,000 | 49,360 | 35,603 | 13,757 |
| Other Instructional Programs - Instruction: | | | | | | |
| Salaries | 11-403-100-100 | 5,000 | - | 5,000 | 4,620 | 380 |
| Purchased Services | 11-403-100-500 | 3,800 | - | 3,800 | 3,700 | 100 |
| Supplies and Materials | 11-403-100-600 | 1,500 | - | 1,500 | 49 | 1,451 |
| Total Other Instructional Programs - Instruction | | 10,300 | - | 10,300 | 8,369 | 1,931 |
| Before/After School Programs - Instruction: | | | | | | |
| Salaries | 11-421-100-101 | 2,000 | - | 2,000 | - | 2,000 |
| Supplies and Materials | 11-421-100-600 | 400 | - | 400 | - | 400 |
| Total Before/After School Programs - Instruction | | 2,400 | - | 2,400 | - | 2,400 |
| Summer School - Instruction: | | | | | | |
| Salaries | 11-422-100-101 | 5,000 | - | 5,000 | 1 | 4,999 |
| Other Salaries of Instruction | 11-422-100-106 | 2,000 | - | 2,000 | 597 | 1,403 |
| General Supplies | 11-422-100-610 | 500 | - | 500 | 122 | 378 |
| Total Summer School - Instruction | | 7,500 | - | 7,500 | 720 | 6,780 |
| Summer School - Support Services: | | | | | | |
| Salaries | 11-422-200-101 | 2,700 | - | 2,700 | - | 2,700 |
| Total Summer School - Support Services | | 2,700 | - | 2,700 | - | 2,700 |
| Total Instruction | | 6,675,604 | (10,859) | 6,664,745 | 6,407,977 | 256,768 |

LOGAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| ACCOUNT NUMBERS | JUNE 30, 2017 | | | | VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE) | |
|--|-----------------|------------------|-----------------|------------------|---|----------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | | |
| Undistributed Expenditures: | | | | | | |
| Instruction: | | | | | | |
| Tuition to Other LEA's - State Regular | 11-000-100-561 | 2,199,359 | 4,547 | 2,203,906 | 2,197,416 | 6,490 |
| Tuition to Other LEA's - State Special | 11-000-100-562 | 318,117 | 1,356 | 319,473 | 319,235 | 238 |
| Tuition to County Vocational Regular | 11-100-100-563 | 135,000 | - | 135,000 | 128,869 | 6,131 |
| Tuition to County Vocational Special | 11-100-100-564 | 58,620 | - | 58,620 | 33,047 | 25,573 |
| Tuition to County Special Services & Day Schools | 11-000-100-565 | 317,500 | - | 317,500 | 287,036 | 30,464 |
| Tuition to Private Schools for the Handicapped - State | 11-100-100-566 | 549,828 | (58,546) | 491,282 | 339,865 | 151,417 |
| Tuition - State Facilities | 11-000-100-568 | 4,500 | - | 4,500 | 4,500 | - |
| Tuition - Other | 11-100-100-569 | 12,615 | - | 12,615 | - | 12,615 |
| Total Undistributed Expenditures - Instruction | | 3,595,539 | (52,643) | 3,542,896 | 3,309,968 | 232,928 |
| Attendance & Social Work Services: | | | | | | |
| Salaries of Teachers | 11-000-211-100 | 30,058 | (475) | 29,583 | 28,631 | 952 |
| Total Attendance & Social Work Services | | 30,058 | (475) | 29,583 | 28,631 | 952 |
| Health Services: | | | | | | |
| Salaries | 11-000-213-100 | 158,045 | 1,112 | 159,157 | 158,867 | 290 |
| Purchased Professional & Technical Services | 11-000-213-300 | 5,600 | - | 5,600 | 3,500 | 2,100 |
| Other Purchased Services | 11-000-213-500 | 8,502 | (758) | 7,744 | 6,120 | 1,624 |
| Supplies and Materials | 11-000-213-600 | 1,550 | 245 | 1,795 | 1,700 | 95 |
| Other Objects | 11-000-213-800 | 2,815 | - | 2,815 | 911 | 1,904 |
| Total Health Services | | 176,512 | 599 | 177,111 | 171,098 | 6,013 |
| Other Support Services - Students - Related Services: | | | | | | |
| Salaries | 11-000-216-100 | 140,204 | 2,634 | 142,838 | 142,838 | - |
| Purchased Professional - Educational Services | 11-000-216-320 | 80,580 | 1,400 | 81,980 | 78,861 | 3,119 |
| Supplies and Materials | 11-000-216-600 | 1,125 | 166 | 1,291 | 887 | 404 |
| Total Other Support Services - Students - Related Services | | 221,909 | 4,200 | 226,109 | 222,586 | 3,523 |
| Other Support Services - Special Education - Extraordinary Services: | | | | | | |
| Salaries | 11-000-217-100 | 157,256 | 2,292 | 159,548 | 159,548 | - |
| Purchased Prof.- Edu. Services | 11-000-217-320 | 4,008 | 4,155 | 8,163 | 8,162 | 1 |
| Total Other Support Services - Special Education - Extraordinary Services | | 161,264 | 6,447 | 167,711 | 167,710 | 1 |
| Other Support Services - Students - Regular: | | | | | | |
| Salaries of Other Professional Staff | 11-000-218-104 | 190,841 | - | 190,841 | 190,750 | 91 |
| Other Purchased Professional & Technical Services | 11-000-218-390 | 1,800 | 898 | 2,698 | 679 | 2,019 |
| Supplies and Materials | 11-000-218-600 | 1,500 | 942 | 2,442 | 1,526 | 916 |
| Other Objects | 11-000-218-800 | - | 50 | 50 | 50 | - |
| Total Other Support Services - Students- Regular | | 194,141 | 1,890 | 196,031 | 193,005 | 3,026 |
| Other Support Services - Students - Special Services: | | | | | | |
| Salaries of Other Professional Staff | 11-000-219-104 | 288,313 | 1,200 | 289,513 | 289,513 | - |
| Salaries of Secretarial & Clerical Assistants | 11-000-219-105 | 42,250 | - | 42,250 | 39,070 | 3,180 |
| Purchased Professional - Technical Services | 11-000-219-390 | 11,000 | (8,333) | 2,667 | 1,533 | 1,134 |
| Other Purchased Services | 11-000-219-500 | 5,100 | (5,100) | - | - | - |
| Miscellaneous Purchased Services | 11-000-219-592 | - | 4,238 | 4,238 | 2,081 | 2,157 |
| Supplies and Materials | 11-000-219-600 | 1,600 | 4,278 | 5,878 | 5,874 | 4 |
| Total Other Support Services - Students Special Services | | 348,263 | (3,717) | 344,546 | 338,071 | 6,475 |
| Improvement of Instruction Services/Other Support Services - Instruction Staff: | | | | | | |
| Salaries of Supervisors of Instruction | 11-000-221-102 | 292,120 | - | 292,120 | 285,352 | 6,768 |
| Salaries of Other Professional Staff | 11-000-221-104 | 90,000 | - | 90,000 | 82,500 | 7,500 |
| Salaries of Secretarial & Clerical Assistants | 11-000-221-105 | 46,297 | (12,788) | 33,509 | 33,509 | - |

LOGAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| | ACCOUNT NUMBERS | JUNE 30, 2017 | | | | VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE) |
|---|-----------------|-----------------|------------------|--------------|---------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| Improvement of Instruction Services/Other Support Services - Instruction Staff (continued): | | | | | | |
| Purchased Professional - | | | | | | |
| Educational Services | 11-000-221-320 | 11,350 | - | 11,350 | 2,780 | 8,570 |
| Other Purchased Services | 11-000-221-500 | 1,500 | 150 | 1,650 | 390 | 1,260 |
| Supplies and Materials | 11-000-221-600 | 400 | - | 400 | 168 | 232 |
| Other Objects | 11-000-221-800 | 1,283 | - | 1,283 | 1,059 | 224 |
| Total Improvement of Instruction Services/ Other Support Services Instructional Staff | | 442,950 | (12,638) | 430,312 | 405,758 | 24,554 |
| Educational Media Services/School Library: | | | | | | |
| Salaries | 11-000-222-100 | 121,255 | 51 | 121,306 | 119,915 | 1,391 |
| Salaries of Technology Coordinators | 11-000-222-177 | 139,983 | 714 | 140,697 | 134,294 | 6,403 |
| Other Purchased Services | 11-000-222-500 | 19,200 | - | 19,200 | 18,130 | 1,070 |
| Supplies and Materials | 11-000-222-600 | 21,600 | - | 21,600 | 21,178 | 422 |
| Total Educational Media Services/Library | | 302,038 | 765 | 302,803 | 293,517 | 9,286 |
| Instructional Staff Training Services: | | | | | | |
| Purchased Professional - | | | | | | |
| Educational Services | 11-000-223-320 | 23,190 | (1,006) | 22,184 | - | 22,184 |
| Other Purchased Services | 11-000-223-500 | 22,150 | (2,021) | 20,129 | 7,893 | 12,236 |
| Supplies & Materials | 11-000-223-600 | 250 | - | 250 | - | 250 |
| Total Instructional Staff Training Services | | 45,590 | (3,027) | 42,563 | 7,893 | 34,670 |
| Support Services General Administration: | | | | | | |
| Salaries | 11-000-230-100 | 206,898 | 3,964 | 210,862 | 201,014 | 9,848 |
| Legal Services | 11-000-230-331 | 40,000 | - | 40,000 | 17,380 | 22,620 |
| Audit Fees | 11-000-230-332 | 25,000 | - | 25,000 | 24,615 | 385 |
| Other Purchased Professional Services | 11-000-230-339 | 29,435 | - | 29,435 | 2,445 | 26,990 |
| Purchased Technical Services | 11-000-230-340 | 4,350 | - | 4,350 | 2,853 | 1,497 |
| Communications/Telephone | 11-000-230-530 | 27,779 | - | 27,779 | 19,013 | 8,766 |
| BOE Other Purchased Services | 11-000-230-585 | 4,500 | (863) | 3,637 | 1,599 | 2,038 |
| Other Purchased Services | 11-000-230-590 | 34,005 | 1,072 | 35,077 | 30,346 | 4,731 |
| General Supplies | 11-000-230-610 | 4,650 | - | 4,650 | 2,400 | 2,250 |
| BOE In-House Training/Meeting Supplies | 11-000-230-630 | 1,300 | - | 1,300 | 879 | 421 |
| Miscellaneous Expenditures | 11-000-230-890 | 3,130 | - | 3,130 | 2,853 | 277 |
| BOE Membership Dues & Fees | 11-000-230-895 | 12,000 | (209) | 11,791 | 9,384 | 2,407 |
| Total Support Services General Administration | | 393,047 | 3,964 | 397,011 | 314,781 | 82,230 |
| Support Services School Administration: | | | | | | |
| Salaries of Principals & Assistant Principals | | | | | | |
| Salaries of Secretarial & Clerical Assistants | 11-000-240-103 | 134,886 | 2,310 | 137,196 | 137,196 | - |
| Other Purchased Services | 11-000-240-105 | 124,164 | - | 124,164 | 123,685 | 479 |
| Supplies and Materials | 11-000-240-500 | 8,400 | 3,077 | 11,477 | 3,860 | 7,617 |
| Supplies and Materials | 11-000-240-600 | 5,550 | 1,079 | 6,629 | 3,466 | 3,163 |
| Total Support Services School Administration | | 273,000 | 6,466 | 279,466 | 268,207 | 11,259 |
| Central Services: | | | | | | |
| Salaries | 11-000-251-100 | 203,154 | 1,655 | 204,809 | 197,328 | 7,481 |
| Purchased Professional Services | 11-000-251-330 | 10,360 | 2,043 | 12,403 | 12,397 | 6 |
| Purchased Technical Services | 11-000-251-340 | 5,050 | (165) | 4,885 | 3,553 | 1,332 |
| Miscellaneous Purchased Services | 11-000-251-592 | 3,000 | - | 3,000 | 2,161 | 839 |
| Supplies and Materials | 11-000-251-600 | 4,575 | (1,883) | 2,692 | 2,380 | 312 |
| Miscellaneous Expenditures | 11-000-251-890 | 1,410 | 5 | 1,415 | 1,398 | 17 |
| Total Central Services | | 227,549 | 1,655 | 229,204 | 219,217 | 9,987 |
| Administrative Information Technology: | | | | | | |
| Salaries | 11-000-252-100 | 50,750 | - | 50,750 | 50,750 | - |
| Purchased Technical Services | 11-000-252-340 | 48,309 | 8,275 | 56,584 | 41,881 | 14,703 |
| Other Purchased Services | 11-000-252-500 | 7,355 | - | 7,355 | 693 | 6,662 |
| Total Administrative Information Technology | | 106,414 | 8,275 | 114,689 | 93,324 | 21,365 |
| Allowable Maintenance for School Facilities: | | | | | | |
| Salaries | 11-000-261-100 | 115,589 | 18 | 115,607 | 115,000 | 607 |
| Cleaning, Repair & Maintenance Services | 11-000-261-420 | 91,115 | 14,683 | 105,798 | 53,762 | 52,036 |
| General Supplies | 11-000-261-610 | 40,350 | 80 | 40,430 | 37,452 | 2,978 |
| Total Allowable Maintenance for School Facilities | | 247,054 | 14,781 | 261,835 | 206,214 | 55,621 |

LOGAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| ACCOUNT NUMBERS | JUNE 30, 2017 | | | | VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE) | |
|--|-----------------|------------------|-----------------|------------------|---|----------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | | |
| Operation & Maintenance of Plant Services & School Facilities: | | | | | | |
| Salaries | 11-000-262-100 | 93,518 | (337) | 93,181 | 93,111 | 70 |
| Salaries of Noninstructional Aides | 11-000-262-107 | 50,124 | 426 | 50,550 | 50,550 | - |
| Purchased Professional & Technical Services | 11-000-262-300 | 4,524 | (2,401) | 2,123 | 1,058 | 1,065 |
| Cleaning, Repair & Maintenance Services | 11-000-262-420 | 688,615 | - | 688,615 | 670,666 | 17,949 |
| Other Purchased Property Services | 11-000-262-490 | 54,505 | 1,690 | 56,195 | 53,816 | 2,379 |
| Insurance | 11-000-262-520 | 50,386 | - | 50,386 | 45,896 | 4,490 |
| Miscellaneous Purchased Services | 11-000-262-590 | - | - | - | - | - |
| General Supplies | 11-000-262-610 | 33,700 | 9,500 | 43,200 | 38,378 | 4,822 |
| Energy (Natural Gas) | 11-000-262-621 | 87,600 | (1,689) | 85,911 | 28,434 | 57,477 |
| Energy (Electricity) | 11-000-262-622 | 365,600 | (18,184) | 347,416 | 262,230 | 85,186 |
| Other Objects | 11-000-262-800 | 950 | - | 950 | 667 | 283 |
| Total Operation & Maintenance of Plant Services & School Facilities | | 1,429,522 | (10,995) | 1,418,527 | 1,244,806 | 173,721 |
| Care & Upkeep of Grounds: | | | | | | |
| Other Purchased Professional Technical Services | 11-000-263-300 | 56,800 | (6,600) | 50,200 | 31,183 | 19,017 |
| General Supplies | 11-000-263-610 | 4,500 | 3,600 | 8,100 | 7,783 | 317 |
| Total Care & Upkeep of Grounds | | 61,300 | (3,000) | 58,300 | 38,966 | 19,334 |
| Security: | | | | | | |
| Other Purchased Professional Technical Services | 11-000-266-300 | 21,100 | (14,000) | 7,100 | 3,924 | 3,176 |
| Cleaning, Repair & Maintenance Services | 11-000-266-420 | 9,300 | (3,000) | 6,300 | 4,375 | 1,925 |
| General Supplies | 11-000-266-610 | 2,000 | 14,000 | 16,000 | 14,122 | 1,878 |
| Total Security | | 32,400 | (3,000) | 29,400 | 22,421 | 6,979 |
| Student Transportation Services: | | | | | | |
| Salaries of Noninstructional Aides | 11-000-270-107 | 5,089 | (1,872) | 3,217 | 386 | 2,831 |
| Salaries for Pupil Transportation (Between Home & School) - Regular | 11-000-270-160 | 19,821 | 6,608 | 26,429 | 26,098 | 331 |
| Other Purchased Professional Technical Services | 11-000-270-390 | 500 | - | 500 | - | 500 |
| Contracted Services (Between Home & School) - Vendors | 11-000-270-511 | 630,541 | (1) | 630,540 | 607,515 | 23,025 |
| Contracted Services (Other Than Between Home & School) - Vendors | 11-000-270-512 | 62,242 | (8,745) | 53,497 | 27,002 | 26,495 |
| Contracted Services (Between Home & School) - Joint Agreements | 11-000-270-515 | 348,029 | 71,367 | 419,396 | 418,826 | 570 |
| Contracted Service - Aid in Lieu of Payments | 11-000-270-503 | 45,085 | (9,981) | 35,104 | 33,620 | 1,484 |
| Misc. Purchased Svc.- Transp. | 11-000-270-593 | 2,295 | - | 2,295 | 1,479 | 816 |
| General Supplies | 11-000-270-610 | 400 | - | 400 | 392 | 8 |
| Miscellaneous Expenditures | 11-000-270-800 | 200 | - | 200 | 200 | - |
| Total Student Transportation Services | | 1,114,202 | 57,376 | 1,171,578 | 1,115,518 | 56,060 |
| Unallocated Benefits - Employee Benefits: | | | | | | |
| Social Security Contributions | 11-000-291-220 | 123,100 | 17,256 | 140,356 | 140,356 | - |
| Other Retirement Contribution - PERS | 11-000-291-241 | 152,000 | (17,256) | 134,744 | 134,084 | 660 |
| Other Retirement Contribution - Regular | 11-000-291-249 | 13,000 | - | 13,000 | 12,977 | 23 |
| Unemployment Compensation | 11-000-291-250 | 35,000 | - | 35,000 | 260 | 34,740 |
| Workmen's Compensation | 11-000-291-260 | 74,995 | - | 74,995 | 71,055 | 3,940 |
| Health Benefits | 11-000-291-270 | 2,101,445 | - | 2,101,445 | 1,789,503 | 311,942 |
| Tuition Reimbursements | 11-000-291-280 | 40,000 | - | 40,000 | 18,525 | 21,475 |
| Other Employee Benefits | 11-000-291-290 | 11,065 | 18,225 | 29,290 | 17,393 | 11,897 |
| Unused Sick Payments | 11-000-291-299 | 18,225 | (18,225) | - | - | - |
| Total Unallocated Benefits - Employee Benefits | | 2,568,830 | - | 2,568,830 | 2,184,153 | 384,677 |

LOGAN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| ACCOUNT NUMBERS | JUNE 30, 2017 | | | | VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE) | |
|--|-----------------|------------------|--------------|--------------|---|--------------|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | | |
| Nonbudgeted: | | | | | | |
| On-Behalf TPAF Pension Contributions | - | - | - | 689,276 | (689,276) | |
| On-Behalf TPAF Medical Contributions | - | - | - | 574,324 | (574,324) | |
| On-Behalf TPAF Long-Term Disability | - | - | - | 1,813 | (1,813) | |
| Reimbursed TPAF Social Security Contributions | - | - | - | 494,515 | (494,515) | |
| Total Undistributed Expenditures | 11,971,582 | 16,923 | 11,988,505 | 12,605,772 | (617,267) | |
| Total Expenditures - Current Expense | 18,647,186 | 6,064 | 18,653,250 | 19,013,749 | (360,499) | |
| Capital Outlay: | | | | | | |
| Interest Deposit to Capital Reserve | 10-604-000-000 | 300 | - | 300 | - | 300 |
| Interest Deposit to Maintenance Reserve | 10-606-000-000 | 500 | - | 500 | - | 500 |
| Equipment: | | | | | | |
| Undistributed Expenditures: | | | | | | |
| Instruction | 12-000-100-730 | 121,800 | - | 121,800 | 106,897 | 14,903 |
| Care and Upkeep of Grounds | 12-000-263-730 | 21,000 | - | 21,000 | 17,000 | 4,000 |
| Facilities Acquisition & Construction Services: | | | | | | |
| Architectural/Engineering Services | 12-000-400-334 | 12,000 | - | 12,000 | - | 12,000 |
| Other Purchased Professional & Construction Services | 12-000-400-450 | 175,000 | 69,067 | 244,067 | 117,767 | 126,300 |
| Other Objects | 12-000-400-800 | 2,000 | - | 2,000 | - | 2,000 |
| Assessment for Debt Service on SDA Funding | 12-000-400-896 | 1,137 | - | 1,137 | 1,137 | - |
| Total Capital Outlay | | 333,737 | 69,067 | 402,804 | 242,801 | 160,003 |
| Total Expenditures | | 18,980,923 | 75,131 | 19,056,054 | 19,256,550 | (200,496) |
| Excess/(Deficiency) of Revenues Over/(Under) | | | | | | |
| Expenditures Before Other Financing Sources/(Uses) | | (1,302,435) | (75,131) | (1,377,566) | 277,235 | 1,654,801 |
| Other Financing Sources/(Uses): | | | | | | |
| Transfer to Cover Deficit (Enterprise) | 11-000-310-930 | (4,000) | - | (4,000) | - | 4,000 |
| Total Other Financing Sources/(Uses) | | (4,000) | - | (4,000) | - | 4,000 |
| Excess/(Deficiency) of Revenues Over/(Under) | | | | | | |
| Expenditures After Other Financing Sources/(Uses) | | (1,306,435) | (75,131) | (1,381,566) | 277,235 | 1,658,801 |
| Fund Balances, July 1 | | 3,717,430 | - | 3,717,430 | 3,717,430 | - |
| Fund Balances, June 30 | | \$ 2,410,995 | \$ (75,131) | \$ 2,335,864 | \$ 3,994,665 | \$ 1,658,801 |

RECAPITULATION OF BUDGET TRANSFERS:

| | |
|-------------------------|-----------|
| Prior Year Encumbrances | \$ 75,131 |
| Total | \$ 75,131 |

RECAPITULATION OF FUND BALANCE

| | |
|--|---------------------|
| Restricted Fund Balance: | |
| Capital Reserve | 266,223 |
| Maintenance Reserve | 403,089 |
| Excess Surplus - Designated for Subsequent Year | 1,257,354 |
| Excess Surplus | 1,629,661 |
| Assigned Fund Balance: | |
| Year End Encumbrances | 33,669 |
| Unassigned Fund Balance | <u>404,669</u> |
| Subtotal | <u>3,994,665</u> |
| Reconciliation to Governmental Fund Statements (GAAP): | |
| Last State Aid Payment Not Recognized on GAAP Basis | <u>(511,141)</u> |
| Fund Balance per Governmental Funds (GAAP) | <u>\$ 3,483,524</u> |

**LOGAN TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2017**

| | JUNE 30, 2017 | | | | VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|--|--------------------|---------------------|-----------------|----------------|---|
| | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | ACTUAL | |
| REVENUES: | | | | | |
| State Sources | \$ 36,300 | \$ 1,100 | \$ 37,400 | \$ 35,366 | \$ (2,034) |
| Federal Sources | 281,337 | 46,162 | 327,499 | 327,499 | - |
| Local Sources | 16,000 | 1,181 | 17,181 | 12,197 | (4,984) |
| Total Revenues | 333,637 | 48,443 | 382,080 | 375,062 | (7,018) |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 123,617 | 2,044 | 125,661 | 125,661 | - |
| Salaries of Aides | - | 9,367 | 9,367 | 9,367 | - |
| General Supplies | 6,000 | 2,881 | 8,881 | 1,863 | 7,018 |
| Tuition | 189,601 | 14,116 | 203,717 | 203,717 | - |
| Total Instruction | 319,218 | 28,408 | 347,626 | 340,608 | 7,018 |
| Support Services: | | | | | |
| Salaries of Other Professionals | - | - | - | - | - |
| Employee Benefits | - | 17,952 | 17,952 | 17,952 | - |
| Purchased Professional Services | 14,419 | (13,313) | 1,106 | 1,106 | - |
| Other Purchased Services | - | 15,396 | 15,396 | 15,396 | - |
| General Supplies | - | - | - | - | - |
| Total Support Services | 14,419 | 20,035 | 34,454 | 34,454 | - |
| Total Expenditures | 333,637 | 48,443 | 382,080 | 375,062 | 7,018 |
| Total Outflows | 333,637 | 48,443 | 382,080 | 375,062 | 7,018 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/ (Uses) | | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ - |

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**LOGAN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

| | GENERAL FUND | SPECIAL REVENUE FUND |
|--|----------------------|----------------------------|
| Sources/Inflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Revenue" | | |
| From the Budgetary Comparison Schedule (C-Series) | \$ 19,533,785 | \$ 375,062 |
| Difference - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | - | - |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes | 527,135 | 2,821 |
| State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year | (511,141) | (2,696) |
| | <hr/> | <hr/> |
| Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds | <u>\$19,549,779</u> | <u>\$ 375,187</u> |
| Uses/outflows of resources: | | |
| Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule | <u>\$ 19,256,550</u> | <u>\$ 375,062</u> |
| Differences - budget to GAAP | | |
| Encumbrances for supplies and equipment ordered but not received is 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. | <hr/> | <hr/> |
| | - | - |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2) | <u>\$19,256,550</u> | <u>\$ 375,062</u> |

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FOUR FISCAL YEARS*

| | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|--------------|-------------|
| School District's proportion of the net pension liability | 0.01502% | 0.01494% | 0.01334% | 0.01321% |
| School District's proportionate share of the net pension liability | \$4,449,442 | \$3,352,766 | \$ 2,496,772 | \$2,523,941 |
| School District's covered payroll | \$ 998,410 | \$ 978,010 | \$ 965,149 | N/A |
| School District's proportionate share of the net pension liability as a percentage of its covered payroll | 445.65% | 342.82% | 258.69% | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 40.14% | 47.93% | 52.08% | 48.72% |

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FOUR FISCAL YEARS**

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 153,385 | \$ 133,464 | \$ 128,407 | 109,936 |
| Contributions in relation to the contractually required contribution | <u>(153,385)</u> | <u>(133,464)</u> | <u>(128,407)</u> | <u>(109,936)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered-employee payroll | \$ 998,410 | \$ 978,010 | 978,010 | N/A |
| Contributions as a percentage of covered- employee payroll | 15.36% | 13.65% | 13.13% | N/A |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST FOUR FISCAL YEARS*

| | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|
| School District's proportion of the net pension liability | 0.0583% | 0.0609% | 0.0616% | 0.0595% |
| School District's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the School District | \$ 45,887,248 | \$ 38,498,334 | \$ 32,915,040 | \$ 30,082,270 |
| | <u>\$ 45,887,248</u> | <u>\$ 38,498,334</u> | <u>\$ 32,915,040</u> | <u>\$ 30,082,270</u> |
| School District's covered payroll | \$ 6,795,426 | \$ 6,556,090 | \$ 6,240,874 | \$ 5,923,128 |
| School District's proportionate share of the net pension liability as a percentage of its covered payroll | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 22.33% | 28.71% | 33.64% | 33.76% |

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

**LOGAN TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of June 30, 2016.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.90 % as of June 30, 2015, to 3.98% as of June 30, 2016.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LOGAN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | I.D.E.A. - PART B | | NO CHILD LEFT BEHIND | | |
|---|-----------------------------|-----------------------------------|----------------------|--------------------|-----------------|
| | BASIC REGULAR PROGRAM | PRESCHOOL INCENTIVE PROGRAM | TITLE I | TITLE II PART A | TITLE III |
| | | | | | |
| Revenues: | | | | | |
| Federal Sources | \$ 211,314 | \$ 8,315 | \$ 89,847 | \$ 16,502 | \$ 1,521 |
| Total Revenues | <u>\$ 211,314</u> | <u>\$ 8,315</u> | <u>\$ 89,847</u> | <u>\$ 16,502</u> | <u>\$ 1,521</u> |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | \$ 4,533 | \$ 1,478 | \$ 72,537 | \$ - | \$ 1,413 |
| Salaries of Aides | 2,523 | 6,246 | 598 | - | - |
| Tuition | 203,717 | - | - | - | - |
| Total Instruction | <u>210,773</u> | <u>7,724</u> | <u>73,135</u> | <u>-</u> | <u>1,413</u> |
| Support Services: | | | | | |
| Salaries of Other Professionals | - | - | - | - | - |
| Employee Benefits | 541 | 591 | 16,712 | - | 108 |
| Purchase Professional & Technical Services | - | - | - | 1,106 | - |
| Other Purchased Services | - | - | - | 15,396 | - |
| Total Support Services | <u>541</u> | <u>591</u> | <u>16,712</u> | <u>16,502</u> | <u>108</u> |
| Total Expenditures | <u>\$ 211,314</u> | <u>\$ 8,315</u> | <u>\$ 89,847</u> | <u>\$ 16,502</u> | <u>\$ 1,521</u> |

**LOGAN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES
AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | ITALIAN GRANT | PRESCHOOL EDUCATION AID | BOEING GRANT | 2017 |
|---------------------------------|------------------|-------------------------------|-----------------|-------------------|
| Revenues: | | | | |
| Federal Sources | \$ - | \$ - | \$ - | \$ 327,499 |
| State Sources | - | 35,366 | - | 35,366 |
| Local Sources | 11,400 | - | 797 | 12,197 |
| Total Revenues | 11,400 | 35,366 | 797 | 375,062 |
| Expenditures: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | \$ 11,400 | \$ 34,300 | \$ - | \$ 125,661 |
| Salaries of Aides | - | - | - | 9,367 |
| Tuition | - | - | - | 203,717 |
| General Supplies | - | 1,066 | 797 | 1,863 |
| Total Instruction | 11,400 | 35,366 | 797 | 340,608 |
| Support Services: | | | | |
| Salaries of Other Professionals | - | - | - | - |
| Employee Benefits | - | - | - | 17,952 |
| Purchased Professional Services | - | - | - | 1,106 |
| Other Purchased Services | - | - | - | 15,396 |
| General Supplies | - | - | - | - |
| Total Support Services | - | - | - | 34,454 |
| Total Expenditures | \$ 11,400 | \$ 35,366 | \$ 797 | \$ 375,062 |

**LOGAN TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | 2017 | | |
|------------------------|---------------|---------------|------------|
| | BUDGETED | ACTUAL | VARIANCE |
| Expenditures: | | | |
| Instruction: | | | |
| Salaries of Teachers | \$ 34,300 | \$ 34,300 | \$ - |
| Supplies | 2,000 | 1,066 | 934 |
| Total Instruction | 36,300 | 35,366 | 934 |
| Total Expenditures | \$ 36,300 | \$ 35,366 | \$ 934 |

CALCULATION OF BUDGET AND CARRYOVER

| | |
|--|-----------|
| Total Revised 2015-2016 Preschool Education Aid Allocation | \$ 36,300 |
| Add: Actual Preschool Education Aid Carryover June 30, 2016 | 809 |
| Total Preschool Education Aid Funds Available for 2016-2017 Budget | 37,109 |
| Less: 2016-2017 Budgeted Preschool Education Aid (Prior Year Budget Carryover) | (36,300) |
| Available & Unbudgeted Preschool Education Aid Funds June 30, 2017 | 809 |
| Add: June 30, 2017 Unexpended Preschool Education Aid | 934 |
| Total Actual Preschool Education Aid Carryover | \$ 1,743 |
| 2016-2017 Preschool Education Aid Carryover Budgeted in 2017-2018 | \$ - |

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F. Capital Projects Fund

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**LOGAN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2017**

| PROJECT | DATE | APPROPRIATION | EXPENDITURES TO DATE | | |
|--|------------|---------------|----------------------|---------|------------|
| | | | PRIOR | CURRENT | UNEXPENDED |
| Cooling Tower for HVAC | 01/06/2014 | \$ 577,000 | \$ 381,379 | \$ - | \$ 195,621 |
| HVAC Renovation for Elementary School Gym | 12/26/2014 | 459,730 | 209,913 | - | 249,817 |
| Boiler System Replacement Project | 05/23/2015 | 464,000 | 450,564 | - | 13,436 |
| Elementary School Door Replacement Project | 05/23/2015 | 147,103 | 144,446 | - | 2,657 |
| | | Total \$ | 1,186,302 | \$ - | \$ 461,531 |

Reconciliation - Unexpended Capital Project
Balances to Fund Balance - June 30, 2017:

| | | |
|--|-----------|----------------|
| Unexpended Project Balances June 30, 2017 | \$ | 461,531 |
| Less: | | |
| Unexpended State Aid - ROD Grants | | (183,654) |
| Total Fund Balance (GAAP Basis) - June 30, 2017 | \$ | 277,877 |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

| | |
|---|-------------|
| Revenues & Other Financing Sources: | |
| Transfer from General Fund | \$ - |
| | <hr/> |
| Total Revenues | - |
| | <hr/> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | - |
| Fund Balance - Beginning | 461,531 |
| | <hr/> |
| Fund Balance - Ending | \$ 461,531 |
| | <hr/> <hr/> |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
COOLING TOWER FOR HVAC
FOR THE YEAR ENDED JUNE 30, 2017**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 230,800 | \$ - | \$ 230,800 | \$ 230,800 |
| Transfers | 346,200 | - | 346,200 | 346,200 |
| Total Revenues | 577,000 | - | 577,000 | 577,000 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 48,300 | - | 48,300 | 54,100 |
| Construction Services | 333,079 | - | 333,079 | 522,900 |
| Total Expenditures | 381,379 | - | 381,379 | 577,000 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 195,621 | \$ - | \$ 195,621 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---|-----------------------|
| Project Number | #2750-040-14-1005-G04 |
| Grant Date | 01/06/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$577,000 |
| Revised Authorized Cost | \$577,000 |
| Percentage Increase Over Original Authorized Cost | 0% |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
BOLIER SYSTEM REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 183,892 | \$ - | \$ 183,892 | \$ 183,892 |
| Transfers | 275,838 | - | 275,838 | 275,838 |
| Total Revenues | 459,730 | - | 459,730 | 459,730 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 27,935 | - | 27,935 | 43,930 |
| Construction Services | 181,978 | - | 181,978 | 415,800 |
| Total Expenditures | 209,913 | - | 209,913 | 459,730 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 249,817 | \$ - | \$ 249,817 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---|-----------------------|
| Project Number | #2750-040-14-1006-G04 |
| Grant Date | 05/23/2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$459,730 |
| Revised Authorized Cost | \$459,730 |
| Percentage Increase Over Original Authorized Cost | 0% |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC RENOVATION FOR ELEMENTARY SCHOOL GYMNASIUM
FOR THE YEAR ENDED JUNE 30, 2017**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 185,600 | \$ - | \$ 185,600 | \$ 185,600 |
| Transfers | 278,400 | - | 278,400 | 278,400 |
| Total Revenues | 464,000 | - | 464,000 | 464,000 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 47,598 | - | 47,598 | 44,000 |
| Construction Services | 402,966 | - | 402,966 | 420,000 |
| Total Expenditures | 450,564 | - | 450,564 | 464,000 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 13,436 | \$ - | \$ 13,436 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---|-----------------------|
| Project Number | #2750-040-14-1003-G04 |
| Grant Date | 12/26/2014 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$464,000 |
| Revised Authorized Cost | \$464,000 |
| Percentage Increase Over Original Authorized Cost | 0% |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ELEMENTARY SCHOOL DOOR REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2017**

| | PRIOR PERIODS | CURRENT YEAR | TOTALS | REVISED AUTHORIZED COST |
|---|------------------|-----------------|----------------|-------------------------------|
| Revenues & Other Financing Sources: | | | | |
| State Sources - ROD Grant | \$ 48,048 | \$ - | \$ 48,048 | \$ 48,048 |
| Transfers | 99,055 | - | 99,055 | 99,055 |
| Total Revenues | 147,103 | - | 147,103 | 147,103 |
| Expenditures & Other Financing Uses: | | | | |
| Purchased Professional & Technical Services | 10,400 | - | 10,400 | 10,920 |
| Construction Services | 134,046 | - | 134,046 | 136,183 |
| Total Expenditures | 144,446 | - | 144,446 | 147,103 |
| Excess/(Deficiency) of Revenues Over/ (Under) Expenditures | \$ 2,657 | \$ - | \$ 2,657 | \$ - |

ADDITIONAL PROJECT INFORMATION

| | |
|---|-----------------------|
| Project Number | #2750-040-14-1004-G04 |
| Grant Date | 05/23/2015 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$120,120 |
| Revised Authorized Cost | \$147,103 |
| Percentage Increase Over Original Authorized Cost | 22.46% |

G. Proprietary Funds

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Enterprise Funds

This section has been included on Exhibit B-4, B-5 & B-6

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**LOGAN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

| ASSETS | PRIVATE PURPOSE TRUST FUNDS | | AGENCY FUNDS | | TOTAL |
|-----------------------------------|------------------------------|-------------|---------------------|------------|------------|
| | UNEMPLOYMENT COMPENSATION | | STUDENT ACTIVITY | PAYROLL | |
| | TRUST | SCHOLARSHIP | | | |
| Cash & Cash Equivalents | \$ 42,500 | \$ 6,251 | \$ 26,948 | \$ 302,650 | \$ 378,349 |
| Total Assets | 42,500 | 6,251 | 26,948 | 302,650 | 378,349 |
| LIABILITIES | | | | | |
| Payroll Deductions & Withholdings | - | - | - | 298,506 | 298,506 |
| Flexible Spending | - | - | - | 4,144 | 4,144 |
| Due to Student Groups | - | - | 26,948 | - | 26,948 |
| Total Liabilities | - | - | 26,948 | 302,650 | 329,598 |
| NET POSITION | | | | | |
| Held in Trust For: | | | | | |
| Unemployment Claims | 42,500 | - | - | - | 42,500 |
| Scholarships | - | 6,251 | - | - | 6,251 |
| Total Net Position | \$ 42,500 | \$ 6,251 | \$ - | \$ - | \$ 48,751 |

**LOGAN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017**

| ADDITIONS | <u>PRIVATE PURPOSE TRUST FUNDS</u> | | |
|--|--------------------------------------|--------------------|--------------|
| | <u>UNEMPLOYMENT COMPENSATION</u> | <u>SCHOLARSHIP</u> | <u>TOTAL</u> |
| Local Sources: | | | |
| Transfer from Payroll Agency Account | \$ 12,181 | \$ - | \$ 12,181 |
| Investment Earnings: | | | |
| Interest | 176 | 15 | 191 |
| | <hr/> | <hr/> | <hr/> |
| Total Additions | 12,357 | 15 | 12,372 |
| | <hr/> | <hr/> | <hr/> |
| DEDUCTIONS | | | |
| Quarterly Unemployment Contribution Reports | 15,881 | - | 15,881 |
| Scholarship Payments | - | 200 | 200 |
| | <hr/> | <hr/> | <hr/> |
| Total Deductions | 15,881 | 200 | 16,081 |
| | <hr/> | <hr/> | <hr/> |
| Change in Net Position | (3,524) | (185) | (3,709) |
| Net Position - Beginning of the Year | 46,024 | 6,436 | 52,460 |
| | <hr/> | <hr/> | <hr/> |
| Net Position - End of the Year | \$ 42,500 | \$ 6,251 | \$ 48,751 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

**LOGAN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | BALANCE JULY 1, 2016 | CASH RECEIPTS | CASH DISBURSEMENTS | BALANCE JUNE 30, 2017 |
|------------------------|----------------------------|------------------|-----------------------|-----------------------------|
| Student Activity | \$ 30,007 | \$ 23,342 | \$ 26,401 | \$ 26,948 |
| Total Student Activity | <u>\$ 30,007</u> | <u>\$ 23,342</u> | <u>\$ 26,401</u> | <u>\$ 26,948</u> |

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

| | BALANCE JULY 1, 2016 | ADDITIONS | DELETIONS | BALANCE JUNE 30, 2017 |
|----------------------------------|----------------------------|---------------------|---------------------|-----------------------------|
| ASSETS | | | | |
| Cash & Cash Equivalents | \$ 212,796 | \$ 9,435,773 | \$ 9,345,919 | \$ 302,650 |
| Total Assets | <u>\$ 212,796</u> | <u>\$ 9,435,773</u> | <u>\$ 9,345,919</u> | <u>\$ 302,650</u> |
| LIABILITIES | | | | |
| Payroll Deductions & Withholding | \$ 208,976 | \$ 4,415,650 | \$ 4,326,120 | \$ 298,506 |
| Net Payroll | - | 4,979,947 | 4,979,947 | - |
| Flexible Spending | 3,820 | 40,176 | 39,852 | 4,144 |
| Total Liabilities | <u>\$ 212,796</u> | <u>\$ 9,435,773</u> | <u>\$ 9,345,919</u> | <u>\$ 302,650</u> |

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I. Long-Term Debt

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**LOGAN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2017**

| ISSUE | DATE OF ISSUE | AMOUNT OF ISSUE | ANNUAL MATURITIES DATE | AMOUNT | INTEREST RATE | BALANCE JULY 1, 2016 | ISSUED | RETIRED | BALANCE JUNE 30, 2017 |
|-------------------------------|---------------|-----------------|------------------------|---------|---------------|----------------------|--------|------------|-----------------------|
| Refunding Bonds - Series 2005 | 04/20/2005 | 4,840,000 | 7/15/2017 | 540,000 | 3.75% | \$ 1,630,000 | \$ - | \$ 545,000 | \$ 1,085,000 |
| | | | 7/15/2018 | 545,000 | 4.00% | | | | |
| Total | | | | | | \$ 1,630,000 | \$ - | \$ 545,000 | \$ 1,085,000 |

LOGAN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2017

| SERIES | DATE OF LEASE | TERM OF LEASE | AMOUNT OF ORIGINAL LEASE | | INTEREST RATE PAYABLE | AMOUNT OUTSTANDING JUNE 30, 2016 | ISSUED CURRENT YEAR | LEASE ADJUSTMENT | RETIRED CURRENT YEAR | AMOUNT OUTSTANDING JUNE 30, 2017 |
|-------------------------|---------------|---------------|--------------------------|----------|-----------------------|----------------------------------|---------------------|------------------|----------------------|----------------------------------|
| | | | PRINCIPAL | INTEREST | | | | | | |
| Dell Computer Equipment | 5/31/2012 | 49 Months | 104,129 | 11,335 | 7.500% | \$ 3,955 | \$ - | \$ - | \$ 3,955 | \$ - |
| Dell Computer Equipment | 8/1/2013 | 49 Months | 79,514 | 6,393 | 5.100% | 22,559 | - | - | 19,533 | 3,026 |
| Total | | | | | | | | | | |
| | | | | | | \$ 26,514 | \$ - | \$ - | \$ 23,488 | \$ 3,026 |

**LOGAN TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2017**

| | ACCOUNT NUMBERS | JUNE 30, 2017 | | | ACTUAL | VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL |
|---------------------------------|--------------------|--------------------|---------------------|-----------------|------------|---|
| | | ORIGINAL BUDGET | BUDGET TRANSFERS | FINAL BUDGET | | |
| Revenues: | | | | | | |
| Local Sources: | | | | | | |
| Local Tax Levy | 40-1210 | \$ 408,417 | \$ - | \$ 408,417 | \$ 408,417 | \$ - |
| State Sources: | | | | | | |
| Debt Service Aid Type II | 40-3160 | 190,201 | - | 190,201 | 190,201 | - |
| Total Revenues | | 598,618 | - | 598,618 | 598,618 | - |
| Expenditures: | | | | | | |
| Regular Debt Service: | | | | | | |
| Interest | 40-701-510-834 | 53,619 | - | 53,619 | 53,618 | 1 |
| Redemption of Principal | 40-701-510-910 | 545,000 | - | 545,000 | 545,000 | - |
| Total Expenditures | | 598,619 | - | 598,619 | 598,618 | 1 |
| Excess/(Deficiency) of Revenues | | | | | | |
| Over/(Under) Expenditures | | (1) | - | (1) | - | (1) |
| Fund Balance, July 1 | | 1 | | 1 | 1 | - |
| Fund Balance, June 30 | | \$ - | \$ - | \$ - | \$ 1 | \$ (1) |

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STATISTICAL SECTION (Unaudited)

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LOGAN TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|---|-----------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 8,767,296 | \$ 8,758,023 | \$ 8,300,838 | \$ 7,359,389 | \$ 6,377,078 | \$ 6,053,975 | \$ 5,234,131 | \$ 4,377,078 | \$ 3,529,498 | \$ 2,721,022 |
| Restricted | 3,834,205 | 3,478,095 | 3,716,891 | 3,455,685 | 3,666,374 | 3,103,881 | 1,964,263 | 1,122,415 | 1,457,899 | 1,039,811 |
| Unrestricted | (3,447,653) | (3,002,291) | (2,901,683) | (259,289) | (293,140) | (274,214) | (259,094) | (350,790) | (356,486) | (63,085) |
| Total Governmental Activities | \$ 9,153,848 | \$ 9,233,827 | \$ 9,116,046 | \$ 10,555,785 | \$ 9,750,312 | \$ 8,883,642 | \$ 6,939,300 | \$ 5,148,703 | \$ 4,630,911 | \$ 3,697,748 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 31,805 | \$ 7,271 | \$ 12,291 | \$ 17,311 | \$ 22,331 | \$ 27,351 | \$ 32,371 | \$ 32,965 | \$ 31,782 | \$ 36,934 |
| Unrestricted | 85,755 | 119,594 | 91,147 | 90,125 | 86,368 | 72,203 | 68,996 | 74,873 | 58,491 | 28,581 |
| Total Business-Type Activities | \$ 117,560 | \$ 126,865 | \$ 103,438 | \$ 107,436 | \$ 108,699 | \$ 99,554 | \$ 101,367 | \$ 107,838 | \$ 90,273 | \$ 65,515 |
| Government-Wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 8,799,101 | \$ 8,765,294 | \$ 8,313,129 | \$ 7,376,700 | \$ 6,399,409 | \$ 6,081,326 | \$ 5,266,502 | \$ 4,410,043 | \$ 3,561,280 | \$ 2,757,956 |
| Restricted | 3,834,205 | 3,478,095 | 3,716,891 | 3,455,685 | 3,666,374 | 3,103,881 | 1,964,263 | 1,122,415 | 1,457,899 | 1,039,811 |
| Unrestricted | (3,361,897) | (2,882,697) | (2,810,536) | (169,164) | (206,772) | (202,011) | (190,098) | (275,917) | (297,995) | (34,504) |
| Total Government-Wide Net Position | \$ 9,271,408 | \$ 9,360,692 | \$ 9,219,484 | \$ 10,663,221 | \$ 9,859,011 | \$ 8,983,196 | \$ 7,040,667 | \$ 5,256,541 | \$ 4,721,184 | \$ 3,763,263 |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

| | FISCAL YEAR ENDING JUNE 30 | | | | | | | | | |
|--|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Expenses: | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 5,422,319 | \$ 5,471,789 | \$ 5,303,490 | \$ 5,297,351 | \$ 5,183,958 | \$ 5,144,823 | \$ 5,092,056 | \$ 5,100,450 | \$ 4,920,746 | \$ 4,789,042 |
| Special Education | 891,712 | 839,769 | 774,977 | 687,144 | 573,746 | 611,867 | 533,494 | 548,382 | 525,053 | 504,639 |
| Basic Skill/Remedial Instruction | 389,862 | 390,573 | 246,716 | 222,126 | 386,526 | 323,731 | 240,767 | 370,020 | 326,229 | 247,916 |
| Bilingual Education | - | - | - | - | - | - | - | - | - | 5,810 |
| Other Instruction | 44,692 | 47,786 | 65,471 | 57,919 | 63,143 | 50,335 | 32,280 | 63,582 | 51,235 | 42,960 |
| Support Services: | | | | | | | | | | |
| Tuition | 3,309,968 | 3,496,071 | 3,838,861 | 4,011,053 | 3,579,020 | 3,231,290 | 3,584,333 | 4,441,648 | 4,627,793 | 4,848,260 |
| Student & Instruction Related Services | 1,839,235 | 1,686,687 | 1,524,815 | 1,480,940 | 1,321,244 | 1,241,427 | 1,128,319 | 1,276,585 | 1,138,680 | 1,142,732 |
| School Administrative Services | 268,207 | 261,465 | 314,592 | 319,580 | 374,501 | 360,831 | 347,943 | 385,887 | 379,190 | 395,626 |
| General & Business Administrative Services | 627,322 | 628,382 | 575,297 | 575,252 | 533,675 | 530,397 | 520,965 | 518,127 | 511,764 | 501,896 |
| Plant Operations & Maintenance | 1,512,407 | 1,546,971 | 1,466,792 | 1,431,213 | 1,335,059 | 1,360,706 | 1,344,578 | 1,358,684 | 1,226,154 | 1,228,585 |
| Pupil Transportation | 1,115,518 | 1,040,754 | 1,024,612 | 918,076 | 910,312 | 972,839 | 871,551 | 1,250,299 | 1,267,775 | 1,251,819 |
| Allocated Benefits | - | - | - | - | - | - | - | - | - | - |
| Unallocated Benefits | 2,576,126 | 5,579,733 | 4,602,430 | 3,010,602 | 3,231,394 | 2,797,928 | 2,739,236 | 2,741,355 | 2,619,071 | 1,338,359 |
| On-Behalf TPAP Pension and Social Security Contributions | 1,759,928 | - | - | - | - | - | - | - | - | - |
| Special Schools | - | - | - | - | - | - | - | - | - | - |
| Interest on Long-Term Debt | 45,388 | 65,858 | 85,896 | 108,861 | 158,690 | 209,311 | 259,683 | 310,109 | 366,909 | 416,784 |
| Revaluation of Fixed Assets | 166,999 | - | - | - | 647,073 | - | - | - | - | - |
| Unallocated Depreciation | 633,880 | 629,466 | 595,871 | 619,354 | 587,816 | 763,459 | 695,911 | 674,708 | 621,165 | 621,165 |
| Total Governmental Activities Expenses | 20,603,563 | 21,685,304 | 20,419,820 | 18,739,471 | 18,886,157 | 17,598,944 | 17,391,116 | 19,070,665 | 18,621,498 | 19,043,737 |
| Business-Type Activities: | | | | | | | | | | |
| Food Service | 318,075 | 283,058 | 311,501 | 191,758 | 328,623 | 343,046 | 331,553 | 354,875 | 368,575 | 359,708 |
| Total Business-Type Activities Expense | 318,075 | 283,058 | 311,501 | 191,758 | 328,623 | 343,046 | 331,553 | 354,875 | 368,575 | 359,708 |
| Total District Expenses | \$ 20,921,638 | \$ 21,968,362 | \$ 20,731,321 | \$ 18,931,229 | \$ 19,214,780 | \$ 17,941,990 | \$ 17,722,669 | \$ 19,425,540 | \$ 18,990,073 | \$ 19,403,445 |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

| | FISCAL YEAR ENDING JUNE 30 | | | | | | | | | |
|--|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Program Revenues: | | | | | | | | | | |
| Operating Grants & Contributions | \$ 2,135,115 | \$ 3,763,201 | \$ 3,104,705 | \$ 422,307 | \$ 390,877 | \$ 437,280 | \$ 508,917 | \$ 540,326 | \$ 382,074 | \$ 372,755 |
| Total Governmental Activities Program Revenues | 2,135,115 | 3,763,201 | 3,104,705 | 422,307 | 390,877 | 437,280 | 508,917 | 540,326 | 382,074 | 372,755 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Food Service | 192,778 | 202,096 | 191,758 | 185,429 | 213,016 | 224,536 | 240,049 | 256,954 | 249,595 | 249,704 |
| Operating Grants & Contributions | 115,992 | 104,389 | 115,745 | 120,374 | 124,752 | 100,546 | 102,391 | 96,379 | 88,572 | 123,456 |
| Total Business Type Activities Program Revenues | 308,770 | 306,485 | 307,503 | 305,803 | 337,768 | 325,082 | 342,440 | 353,333 | 338,167 | 373,160 |
| Total District Program Revenues | \$ 2,443,885 | \$ 4,069,686 | \$ 3,412,208 | \$ 728,110 | \$ 728,645 | \$ 762,362 | \$ 851,357 | \$ 893,659 | \$ 720,241 | \$ 745,915 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental Activities | \$ (18,468,448) | \$ (17,922,103) | \$ (17,315,115) | \$ (18,317,164) | \$ (18,495,280) | \$ (17,161,664) | \$ (16,882,199) | \$ (18,530,339) | \$ (18,239,424) | \$ (18,670,982) |
| Business-Type Activities | (9,305) | 23,427 | (3,998) | (1,263) | 9,145 | (17,964) | 10,887 | (1,542) | (30,408) | 13,452 |
| Total District-Wide Net Expense | \$ (18,477,753) | \$ (17,898,676) | \$ (17,319,113) | \$ (18,318,427) | \$ (18,486,135) | \$ (17,179,628) | \$ (16,871,312) | \$ (18,531,881) | \$ (18,269,832) | \$ (18,657,530) |

**LOGAN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| FISCAL YEAR ENDING JUNE 30 | | | | | | | | | | |
| General Revenues & Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net | \$ 12,164,903 | \$ 11,679,639 | \$ 11,563,999 | \$ 11,337,254 | \$ 11,114,955 | \$ 10,953,584 | \$ 11,023,468 | \$ 11,224,583 | \$ 11,176,687 | \$ 10,746,814 |
| Taxes Levied for Debt Service | 408,417 | 412,388 | 416,411 | 880,086 | 917,936 | 952,328 | 980,678 | 922,326 | 963,417 | 980,886 |
| Unrestricted Grants & Contributions | 5,466,234 | 5,648,602 | 5,627,066 | 6,918,957 | 7,074,009 | 6,991,984 | 6,448,730 | 6,769,678 | 6,983,037 | 7,481,572 |
| Restricted Grants | 190,201 | 109,467 | 324,116 | 31,103 | - | - | - | - | - | - |
| Tuition | 117,489 | 179,302 | 191,492 | 231,505 | 187,404 | 192,567 | 214,851 | 124,076 | 66,803 | 95,991 |
| Investment Earnings | 10,145 | 7,804 | 7,141 | 401 | 235 | - | - | - | 21,801 | 80,963 |
| Miscellaneous Income | 31,080 | 15,349 | 23,781 | 22,876 | 67,411 | 15,543 | 5,069 | 37,468 | 842 | 232 |
| Transfers | - | - | - | - | - | - | - | (30,000) | (48,701) | (40,000) |
| Net Increase in Capital Assets | - | (12,667) | (54,234) | - | - | - | - | - | - | - |
| Increase in Compensated Absences | - | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | 18,388,469 | 18,039,884 | 18,099,772 | 19,422,182 | 19,361,950 | 19,106,006 | 18,672,796 | 19,048,131 | 19,163,886 | 19,346,458 |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | 30,000 | 40,000 | 40,000 |
| Total Business-Type Activities | - | - | - | - | - | - | - | 30,000 | 40,000 | 40,000 |
| Total District-Wide | \$ 18,388,469 | \$ 18,039,884 | \$ 18,099,772 | \$ 19,422,182 | \$ 19,361,950 | \$ 19,106,006 | \$ 18,672,796 | \$ 19,078,131 | \$ 19,203,886 | \$ 19,386,458 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ (79,979) | \$ 117,781 | \$ 784,657 | \$ 1,105,018 | \$ 866,670 | \$ 1,944,342 | \$ 1,790,597 | \$ 517,792 | \$ 924,462 | \$ 675,476 |
| Business-Type Activities | (9,305) | 23,427 | (3,998) | (1,263) | 9,145 | (17,964) | 10,887 | 28,458 | 9,592 | 53,452 |
| Total District | \$ (89,284) | \$ 141,208 | \$ 780,659 | \$ 1,103,755 | \$ 875,815 | \$ 1,926,378 | \$ 1,801,484 | \$ 546,250 | \$ 934,054 | \$ 728,928 |

**LOGAN TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

| | FISCAL YEAR ENDING JUNE 30, | | | | | | | | | |
|---|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| General Fund: | | | | | | | | | | |
| Reserved | \$ 3,556,327 | \$ 3,229,476 | \$ 3,316,185 | \$ 3,504,100 | \$ 3,737,743 | \$ 3,198,504 | \$ 1,692,832 | \$ 1,233,275 | \$ 1,096,301 | \$ 901,779 |
| Unreserved | (72,803) | (39,181) | (106,297) | 1,821 | (45,157) | (134,474) | 262,970 | (157,880) | 331,461 | 417,536 |
| Total General Fund | \$ 3,483,524 | \$ 3,190,295 | \$ 3,209,888 | \$ 3,505,921 | \$ 3,692,586 | \$ 3,064,030 | \$ 1,955,802 | \$ 1,075,395 | \$ 1,427,762 | \$ 1,319,315 |
| All Other Governmental Funds: | | | | | | | | | | |
| Reserved | \$ 277,878 | \$ 277,878 | \$ 439,682 | \$ 299,547 | \$ 2 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Unreserved, Reported in: | | | | | | | | | | |
| Special Revenue Fund | (2,696) | (3,630) | (3,630) | (3,630) | (3,630) | (3,630) | (3,630) | (3,630) | 1 | - |
| Capital Projects Fund | - | - | - | - | - | - | - | - | - | - |
| Debt Service Fund | - | - | - | - | - | - | 1,072 | 8,701 | 1 | 10,494 |
| Total All Other Governmental Funds | \$ 275,182 | \$ 274,248 | \$ 436,052 | \$ 295,917 | \$ (3,628) | \$ (3,630) | \$ (2,558) | \$ 5,071 | \$ 2 | \$ 10,494 |

LOGAN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 12,573,320 | \$ 12,092,027 | \$ 11,980,410 | \$ 12,217,340 | \$ 12,032,891 | \$ 12,004,146 | \$ 12,146,909 | \$ 12,140,104 | \$ 11,727,700 | \$ 11,115,491 |
| Tuition Charges | 117,489 | 179,302 | 191,492 | 231,505 | 187,404 | 214,851 | 124,076 | 66,803 | 95,991 | 160,522 |
| Miscellaneous | 41,225 | 35,372 | 49,237 | 38,277 | 73,646 | 5,069 | 37,468 | 27,734 | 83,790 | 154,499 |
| State Sources | 7,464,051 | 7,295,173 | 7,268,185 | 6,986,360 | 7,110,309 | 6,458,976 | 5,931,624 | 7,017,215 | 7,518,262 | 7,193,428 |
| Federal Sources | 327,499 | 330,232 | 327,556 | 371,007 | 348,577 | 498,671 | 1,378,380 | 342,805 | 333,470 | 350,967 |
| Total Revenue | 20,523,584 | 19,932,106 | 19,816,880 | 19,844,489 | 19,752,827 | 19,181,713 | 19,618,457 | 19,594,661 | 19,759,213 | 18,974,907 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 5,422,319 | 5,471,789 | 5,303,490 | 5,297,351 | 5,183,958 | 5,092,056 | 5,100,450 | 4,920,746 | 4,789,042 | 4,562,001 |
| Special Education Instruction | 891,712 | 839,769 | 774,977 | 687,144 | 573,746 | 533,494 | 548,382 | 525,053 | 504,639 | 516,752 |
| Basic Skill/Remedial Instruction | 389,862 | 390,573 | 246,716 | 222,126 | 386,526 | 240,767 | 370,020 | 326,229 | 247,916 | 204,011 |
| Bilingual Education | | | | | | | | | 5,810 | 5,401 |
| Other Instruction | 44,692 | 47,786 | 65,471 | 57,919 | 63,143 | 32,280 | 63,582 | 51,235 | 42,960 | 46,584 |
| Support Services: | | | | | | | | | | |
| Tuition | 3,309,968 | 3,496,071 | 3,838,861 | 4,011,053 | 3,579,020 | 3,584,333 | 4,441,648 | 4,627,793 | 4,848,260 | 4,308,893 |
| Student & Instruction Related Services | 1,862,723 | 1,742,579 | 1,642,549 | 1,604,494 | 1,509,922 | 1,309,254 | 1,514,038 | 1,377,304 | 1,286,174 | 1,163,638 |
| School Administrative Services | 268,207 | 261,465 | 314,592 | 319,580 | 374,501 | 347,943 | 385,887 | 379,190 | 395,626 | 374,193 |
| General & Business Administration | | | | | | | | | | |
| Services | 627,322 | 628,382 | 575,297 | 575,252 | 533,675 | 520,965 | 518,127 | 511,764 | 501,896 | 527,044 |
| Plant Operations & Maintenance | 1,512,407 | 1,546,971 | 1,466,792 | 1,431,213 | 1,335,059 | 1,341,378 | 1,333,638 | 1,226,154 | 1,228,585 | 1,251,158 |
| Pupil Transportation | 1,115,518 | 1,040,754 | 1,024,612 | 918,076 | 910,312 | 871,551 | 1,250,299 | 1,267,775 | 1,251,819 | 1,288,866 |
| Allocated Benefits | | | | | | | | | 1,670,079 | - |
| Unallocated Benefits | 2,184,153 | 3,527,554 | 3,150,264 | 2,997,475 | 3,123,151 | 2,770,024 | 2,745,392 | 2,607,375 | 1,330,237 | 2,876,703 |
| On Behalf TPAF Pension and Social Security Contributions | 1,759,928 | - | - | - | - | - | - | - | - | - |
| Special Schools | | | | | | | | | | |
| Capital Outlay | 241,664 | 514,563 | 958,820 | 398,762 | 309,181 | 216,153 | 407,016 | 447,307 | 401,991 | 32,943 |
| Debt Service: | | | | | | | | | | |
| Principal | 545,000 | 530,000 | 515,000 | 1,160,000 | 1,165,000 | 1,160,000 | 1,150,000 | 1,150,000 | 1,145,000 | 1,110,000 |
| Interest & Other Charges | 54,755 | 74,438 | 95,337 | 130,678 | 181,204 | 282,180 | 336,280 | 389,775 | 439,483 | 488,198 |
| Total Expenditures | 20,230,230 | 20,112,694 | 19,972,778 | 19,811,123 | 19,228,398 | 18,302,378 | 20,195,588 | 19,847,434 | 20,127,582 | 19,230,309 |

LOGAN TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|------------|--------------|--------------|------------|------------|--------------|--------------|-------------|------------|-------------|
| Excess (Deficiency) of Revenues Over/(Under) Expenditures | 293,354 | (180,588) | (155,898) | 33,366 | 524,429 | 879,335 | (577,131) | (252,773) | (368,369) | (255,402) |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Capital Leases | - | - | - | 79,514 | 104,129 | 288,578 | - | 247,135 | 406,290 | 213,103 |
| Transfers In | - | 26,983 | 626,310 | 346,200 | - | - | 1,600 | - | 8,701 | - |
| Transfers Out | - | (26,983) | (626,310) | (346,200) | - | - | (1,600) | (30,000) | (48,701) | (40,000) |
| Total Other Financing Sources/(Uses) | - | - | - | 79,514 | 104,129 | 288,578 | - | 217,135 | 366,290 | 173,103 |
| Net Change in Fund Balances | \$ 293,354 | \$ (180,588) | \$ (155,898) | \$ 112,880 | \$ 628,558 | \$ 1,167,913 | \$ (577,131) | \$ (35,638) | \$ (2,079) | \$ (82,299) |
| Debt Service as a Percentage of Noncapital Expenditures | 3.0% | 3.1% | 3.2% | 6.6% | 7.1% | 8.0% | 7.5% | 7.9% | 8.0% | 8.5% |

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay

LOGAN TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

| FISCAL YEAR ENDING JUNE 30, | TUITION | INTEREST ON INVESTMENTS | CONTRIBUTIONS FROM PRIVATE SOURCES | PRIOR YEAR'S REFUNDS | MISCELLANEOUS | TOTAL |
|-----------------------------------|------------|-------------------------------|--|----------------------------|---------------|------------|
| 2017 | \$ 115,728 | \$ 10,145 | \$ - | \$ 18,141 | \$ 2,503 | \$ 146,517 |
| 2016 | 179,302 | 7,804 | - | 9,451 | 18,117 | 214,674 |
| 2015 | 191,492 | 7,141 | - | 19,291 | 22,805 | 240,729 |
| 2014 | 231,505 | 401 | - | - | 37,876 | 269,782 |
| 2013 | 187,404 | 235 | 18,315 | - | 67,411 | 273,365 |
| 2012 | 192,567 | - | - | - | 15,543 | 208,110 |
| 2011 | 214,851 | - | 18,315 | - | 5,069 | 238,235 |
| 2010 | 124,076 | 10,172 | 18,315 | 3,889 | 23,407 | 179,859 |
| 2009 | 66,803 | 21,801 | 5,091 | - | 5,933 | 99,628 |
| 2008 | 95,991 | 80,963 | - | - | 2,827 | 179,781 |

Source: District records

**LOGAN TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

| FISCAL YEAR ENDED JUNE 30, | VACANT LAND | RESIDENTIAL | FARM REG. | QFARM | COMMERCIAL | INDUSTRIAL | APARTMENT | TOTAL ASSESSED VALUE | LESS: TAX EXEMPT PROPERTY | PUBLIC UTILITIES | NET VALUATION TAXABLE | TOTAL DIRECT SCHOOL TAX RATE | ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE |
|----------------------------|--------------|----------------|-------------|-------------|----------------|----------------|-----------|----------------------|---------------------------|------------------|-----------------------|------------------------------|---|
| 2017 | \$25,965,400 | \$ 400,704,200 | \$8,604,500 | \$2,444,200 | \$ 125,684,800 | \$ 500,773,560 | \$ - | \$ 1,064,176,460 | \$73,751,200 | \$ - | \$ 1,064,176,460 | 1.202 | \$ 1,064,176,460 |
| 2016 | 19,925,100 | 399,501,400 | 8,452,700 | 2,406,800 | 119,935,500 | 502,114,060 | - | 1,052,335,560 | 77,345,800 | - | 1,052,335,560 | 1.194 | 1,140,372,302 |
| 2015 | 22,293,100 | 398,884,100 | 8,670,900 | 2,381,400 | 99,747,800 | 499,349,300 | - | 1,031,326,600 | 54,150,700 | 1,981,912 | 1,033,308,512 | 1.170 | 1,132,703,569 |
| 2014 | 25,939,500 | 398,969,100 | 7,496,200 | 2,411,800 | 101,380,300 | 507,829,381 | - | 1,044,026,281 | 54,256,900 | 1,893,488 | 1,045,919,769 | 1.145 | 1,154,257,912 |
| 2013 | 26,653,300 | 394,150,700 | 9,144,600 | 2,570,400 | 115,569,200 | 498,306,200 | - | 1,046,394,400 | 53,894,900 | 2,598,689 | 1,048,993,089 | 1.165 | 1,172,134,424 |
| 2012 | 17,647,900 | 227,011,800 | 4,700,000 | 2,829,700 | 64,805,410 | 295,799,517 | - | 612,794,327 | 20,734,600 | 1,507,222 | 614,301,549 | 1.959 | 1,135,014,497 |
| 2011 | 14,829,100 | 225,073,700 | 4,684,100 | 2,950,700 | 57,188,010 | 308,151,890 | 127,200 | 613,004,700 | 20,435,100 | 1,507,288 | 614,511,988 | 1.937 | 1,133,785,956 |
| 2010 | 14,383,900 | 222,037,200 | 5,116,100 | 3,089,400 | 57,892,600 | 314,055,690 | 127,200 | 616,702,090 | 20,519,500 | 1,607,525 | 618,309,615 | 1.941 | 1,184,274,305 |
| 2009 | 13,725,300 | 219,312,700 | 5,234,600 | 3,203,300 | 58,936,600 | 327,547,190 | 127,200 | 628,086,890 | 20,520,700 | 1,638,069 | 629,724,959 | 1.928 | 1,181,195,346 |
| 2008 | 13,990,100 | 215,398,700 | 5,011,200 | 3,208,400 | 334,464,800 | 45,871,890 | 127,200 | 618,072,290 | 18,838,900 | 1,632,771 | 619,705,061 | 1.959 | 1,095,967,784 |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

| FISCAL YEAR ENDED JUNE 30, | SCHOOL DISTRICT DIRECT RATE | | | OVERLAPPING RATES | | | | | TOTAL DIRECT & OVERLAPPING TAX RATE |
|----------------------------|-----------------------------|--------------|--------------|-------------------|-------------------|----------------|-------|-------|-------------------------------------|
| | LOCAL SCHOOL | DEBT SERVICE | TOTAL DIRECT | LOGAN TOWNSHIP | GLOUCESTER COUNTY | COUNTY LIBRARY | OTHER | | |
| 2017 | 1.164 | 0.038 | 1.202 | 0.488 | 0.717 | 0.054 | 0.046 | 2.507 | |
| 2016 | 1.156 | 0.038 | 1.194 | 0.478 | 0.686 | 0.053 | 0.055 | 2.466 | |
| 2015 | 1.130 | 0.040 | 1.170 | 0.228 | 0.679 | 0.051 | 0.052 | 2.180 | |
| 2014 | 1.105 | 0.040 | 1.145 | 0.228 | 0.639 | 0.051 | 0.045 | 2.108 | |
| 2013 | 1.081 | 0.084 | 1.165 | 0.208 | 0.631 | 0.049 | 0.052 | 2.105 | |
| 2012 | 1.810 | 0.149 | 1.959 | 0.345 | 0.948 | 0.078 | 0.075 | 3.405 | |
| 2011 | 1.782 | 0.155 | 1.937 | 0.345 | 1.006 | 0.082 | 0.080 | 3.450 | |
| 2010 | 1.782 | 0.159 | 1.941 | 0.345 | 1.043 | 0.083 | 0.082 | 3.494 | |
| 2009 | 1.782 | 0.146 | 1.928 | 0.345 | 0.975 | 0.079 | 0.077 | 3.404 | |
| 2008 | 1.804 | 0.155 | 1.959 | 0.345 | 0.924 | 0.075 | 0.072 | 3.375 | |

Source: District Records and Municipal Tax Collector

**LOGAN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

| TAXPAYER | 2017 | | |
|--------------------------|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Liberty Venture I LP | \$99,953,000 | 1 | 9.498% |
| MEPT 1150 Commerce | 30,000,000 | 2 | 2.851% |
| TR Birch Creek LLC | 17,303,200 | 3 | 1.644% |
| SunTrust Bank | 17,105,800 | 4 | 1.626% |
| Liberty Property LTD | 16,392,200 | 5 | 1.558% |
| IIT Center Square DC LLC | 14,347,700 | 6 | 1.363% |
| Duke Realty LP | 14,003,700 | 7 | 1.331% |
| DGI LS LLC | 13,675,800 | 8 | 1.300% |
| Prologis NA3 NC IV LLC | 13,416,600 | 9 | 1.275% |
| IIT Pureland DC I LLC | 11,750,000 | 10 | 1.117% |
| Total | <u>\$247,948,000</u> | | <u>23.563%</u> |

| TAXPAYER | 2007 | | |
|--------------------------------------|------------------------------|------|---|
| | TAXABLE ASSESSED VALUE | RANK | % OF TOTAL DISTRICT NET ASSESSED VALUE |
| Liberty Ventures I, LLP | \$67,652,900 | 1 | 10.947% |
| Mid-Atlantic (Pureland) Incorporated | 29,946,900 | 2 | 4.846% |
| Pureland VI Limited Partnership | 21,461,400 | 3 | 3.473% |
| US Industrial REIT II | 13,474,000 | 4 | 2.180% |
| Sun East Equity Funding | 12,289,100 | 5 | 1.989% |
| Wachovia Development Corp. | 10,000,000 | 6 | 1.618% |
| Allen Commercial Realty | 7,400,000 | 7 | 1.197% |
| Cardinal Health 200, Inc. | 7,162,100 | 8 | 1.159% |
| CLFP-NEBC Land Corporation | 7,140,200 | 9 | 1.155% |
| Liberty Property LTD Partnership | 7,089,100 | 10 | 1.147% |
| Total | <u>\$183,615,700</u> | | <u>29.711%</u> |

Source: Municipal Tax Assessor

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHOOL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| 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 | |
| 2017 | \$ 12,573,320 | \$ 12,573,320 | 100.00% | - |
| 2016 | 12,092,027 | 12,092,027 | 100.00% | - |
| 2015 | 11,980,410 | 11,980,410 | 100.00% | - |
| 2014 | 12,217,340 | 12,217,340 | 100.00% | - |
| 2013 | 12,032,891 | 12,032,891 | 100.00% | - |
| 2012 | 11,905,912 | 11,905,912 | 100.00% | - |
| 2011 | 12,004,146 | 12,004,146 | 100.00% | - |
| 2010 | 12,146,909 | 12,146,909 | 100.00% | - |
| 2009 | 12,140,104 | 12,140,104 | 100.00% | - |
| 2008 | 11,727,700 | 11,727,700 | 100.00% | - |
| 2007 | 11,115,491 | 11,115,491 | 100.00% | - |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| FISCAL YEAR ENDED JUNE 30, | GOVERNMENTAL ACTIVITIES | | | TOTAL DISTRICT | PER CAPITA |
|-------------------------------------|--------------------------------|-------------------------------------|-------------------|-------------------|------------|
| | GENERAL OBLIGATION BONDS | CERTIFICATES OF PARTICIPATION | CAPITAL LEASES | | |
| 2017 | \$ 1,085,000 | \$ - | \$ 3,026 | \$ 1,088,026 | N/A |
| 2016 | 1,630,000 | - | 26,514 | 1,656,514 | 278 |
| 2015 | 2,160,000 | - | 82,406 | 2,242,406 | 376 |
| 2014 | 2,675,000 | - | 200,140 | 2,875,140 | 478 |
| 2013 | 5,000,000 | - | 235,050 | 5,235,050 | 676 |
| 2012 | 5,000,000 | - | 319,599 | 5,319,599 | 878 |
| 2011 | 6,165,000 | - | 301,735 | 6,466,735 | 1,070 |
| 2010 | 7,325,000 | - | 482,670 | 8,947,988 | 1,133 |
| 2009 | 8,475,000 | - | 472,988 | 9,930,322 | 1,433 |
| 2008 | 9,625,000 | - | 305,322 | 11,005,661 | 1,778 |

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

| FISCAL YEAR ENDED JUNE 30, | GENERAL BONDED DEBT OUTSTANDING | | NET GENERAL BONDED DEBT OUTSTANDING | PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY | PER CAPITA |
|-------------------------------------|---------------------------------|------------|---|--|------------|
| | GENERAL OBLIGATION BONDS | DEDUCTIONS | | | |
| 2017 | \$ 1,085,000 | \$ - | \$ 1,085,000 | 0.10% | 182 |
| 2016 | 1,630,000 | - | 1,630,000 | 0.15% | 272 |
| 2015 | 2,160,000 | - | 2,160,000 | 0.21% | 359 |
| 2014 | 2,675,000 | - | 2,675,000 | 0.26% | 445 |
| 2013 | 5,000,000 | - | 5,000,000 | 0.48% | 831 |
| 2012 | 6,165,000 | - | 6,165,000 | 1.00% | 1,017 |
| 2011 | 7,325,000 | - | 7,325,000 | 1.18% | 1,212 |
| 2010 | 8,475,000 | - | 8,475,000 | 1.35% | 1,403 |
| 2009 | 9,625,000 | - | 9,625,000 | 1.56% | 1,541 |
| 2008 | 10,770,000 | - | 10,770,000 | 1.71% | 1,740 |

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017**

| GOVERNMENTAL UNIT | DEBT OUTSTANDING | ESTIMATED PERCENTAGE APPLICABLE | SHARE OF OVERLAPPING DEBT |
|--|---------------------|---------------------------------------|---------------------------------|
| Debt Repaid With Property Taxes: | | | |
| Township of Logan | \$ 4,328,637 | 100.00% | \$ 4,328,637 |
| County of Gloucester General Obligation Debt | 228,443,500 | 4.46% | <u>10,191,468</u> |
| Subtotal, Overlapping Debt | | | 14,520,105 |
| Logan Township School District Direct Debt | | | <u>1,085,000</u> |
| Total Direct & Overlapping Debt | | | <u><u>\$ 15,605,105</u></u> |

Sources: Assessed value data used to estimate applicable percentages provided by the Logan Township or Gloucester County Board of Taxation.

**LOGAN TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| | FISCAL YEAR | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Debt Limit | \$ 34,533,371 | \$ 34,713,892 | \$ 34,601,417 | \$ 34,905,264 | \$ 35,063,710 | \$ 35,488,312 | \$ 34,501,243 | \$ 32,190,631 | \$ 28,195,875 | \$ 24,322,278 |
| Total Net Debt Applicable to Limit | 1,085,000 | 2,160,000 | 2,675,000 | 3,835,000 | 5,000,000 | 6,165,000 | 7,325,000 | 8,475,000 | 9,625,000 | 10,770,000 |
| Legal Debt Margin | \$ 33,448,371 | \$ 32,553,892 | \$ 31,926,417 | \$ 31,070,264 | \$ 30,063,710 | \$ 29,323,312 | \$ 27,176,243 | \$ 23,715,631 | \$ 18,570,875 | \$ 13,552,278 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 3.14% | 6.22% | 7.73% | 10.99% | 14.26% | 17.37% | 21.23% | 26.33% | 34.14% | 44.28% |

Legal Debt Margin Calculation for Fiscal Year 2015

| | |
|---|---------------------------|
| | Equalized Valuation Basis |
| | 2016 \$ 1,189,079,729 |
| | 2015 1,117,605,765 |
| | 2014 1,146,651,599 |
| | <u>\$ 3,453,337,093</u> |
| | <u>\$ 1,151,112,364</u> |
| Average Equalized Valuation of Taxable Property | |
| Debt Limit (3 % of Average Equalization Value) | 34,533,371 |
| Net Bonded School Debt | <u>1,085,000</u> |
| Legal Debt Margin | <u>\$ 33,448,371</u> |

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

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**LOGAN TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| YEAR | POPULATION | PER CAPITA PERSONAL INCOME | UNEMPLOYMENT RATE |
|------|------------|----------------------------------|----------------------|
| 2017 | N/A | N/A | N/A |
| 2016 | 5,968 | N/A | 3.8% |
| 2015 | 5,993 | 48,799 | 4.8% |
| 2014 | 6,004 | 46,852 | 5.4% |
| 2013 | 6,012 | 45,435 | 8.6% |
| 2012 | 6,032 | 44,601 | 4.3% |
| 2011 | 6,049 | 43,257 | 4.2% |
| 2010 | 6,050 | 42,050 | 4.3% |
| 2009 | 6,285 | 41,561 | 4.1% |
| 2008 | 6,256 | 41,604 | 2.7% |

Source: State of New Jersey, Department of Labor and Workforce Development, Labor Planning and Analysis.

**LOGAN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| | 2017 | | |
|-------------------------------------|------------------|------|--------------------------------------|
| | (1) EMPLOYEES | RANK | PERCENTAGE OF TOTAL EMPLOYMENT |
| Inspira Health | 1,825 | 1 | |
| Kennedy Memorial Hospital | 1,675 | 2 | |
| Washington Township School District | 1,592 | 3 | |
| Rowan University | 1,483 | 4 | |
| County of Gloucester | 1,354 | 5 | |
| MISSA Bay LLC | 950 | 6 | |
| Monroe Twp School District | 806 | 7 | |
| U.S. Foodservice | 725 | 8 | |
| ExxonMobil Research & Engineering | 540 | 9 | |
| LaBrea Bakery | 525 | 10 | |
| | <u>11,475</u> | | <u>N/A</u> |

2007

N/A

This exhibit reflects principal employers for Gloucester County.

Source: (1) Gloucester County Office of Economic Development for company and employee data.

(2) New Jersey Department of Labor and Workforce Development for the total employment data.

**LOGAN TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

| Function/Program | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|------|------|------|------|------|------|------|------|------|------|------|
| Instruction: | | | | | | | | | | | |
| Regular | 66 | 63 | 64 | 63 | 63 | 63 | 69 | 73 | 71 | 75 | 75 |
| Special Education | 15 | 14 | 13 | 12 | 9 | 10 | 9 | 9 | 9 | 7 | 7 |
| Other Special Education | 7 | 7 | 4 | 4 | 5 | 5 | 4 | 3 | 3 | 3 | 3 |
| Support Services: | | | | | | | | | | | |
| Student & Instruction Related Services | 29 | 26 | 27 | 26 | 29 | 25 | 23 | 20 | 20 | 20 | 20 |
| General & Business Administrative Services | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| School Administrative Services | 4 | 4 | 4 | 3 | 3 | 3 | 5 | 6 | 6 | 5 | 5 |
| Central Services | 3 | 3 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 4 | 4 |
| Administrative Information Technology | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 2 | 2 |
| Plant Operations & Maintenance | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 3 | 3 |
| Pupil Transportation | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Food Service | - | - | - | - | - | 1 | 2 | 2 | 2 | 4 | 4 |
| Total | 134 | 127 | 123 | 119 | 120 | 118 | 124 | 128 | 126 | 126 | 126 |

Source: School District Records.

LOGAN TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

| FISCAL YEAR | ENROLLMENT | OPERATING EXPENDITURES (a) | COST PER PUPIL | PERCENTAGE CHANGE | TEACHING STAFF (b) | PUPIL/TEACHER RATIO | AVERAGE DAILY ENROLLMENT (ADA) (c) | AVERAGE DAILY ATTENDANCE (ADA) (c) | % CHANGE IN AVERAGE DAILY ENROLLMENT | STUDENT ATTENDANCE PERCENTAGE |
|-------------|------------|----------------------------|----------------|-------------------|--------------------|---------------------|------------------------------------|------------------------------------|--------------------------------------|-------------------------------|
| 2017 | 843 | \$ 19,388,811 | 23,000 | 5.35% | 84 | 10.2:1 | 841.3 | 811.3 | 1.01% | 96.43% |
| 2016 | 850 | 18,403,621 | 21,831 | 4.08% | 83 | 10.2:1 | 849.4 | 817.6 | 1.25% | 96.26% |
| 2015 | 843 | 18,403,621 | 21,831 | 4.08% | 79 | 10.7:1 | 832.9 | 800.9 | -0.63% | 96.16% |
| 2014 | 839 | 18,121,683 | 21,599 | 2.97% | 80 | 10.5:2 | 838.9 | 805.6 | 0.08% | 96.03% |
| 2013 | 838 | 17,577,304 | 20,975 | 9.16% | 80 | 9.6:1 | 838.2 | 799.3 | -4.64% | 95.36% |
| 2012 | 879 | 16,890,270 | 19,215 | 0.90% | 81 | 10.8:1 | 879.0 | 846.1 | 0.56% | 96.26% |
| 2011 | 874 | 16,644,045 | 19,044 | -4.04% | 83 | 10.5:1 | 874.1 | 840.5 | -3.23% | 96.16% |
| 2010 | 903 | 18,301,292 | 19,845 | 0.00% | 85 | 10.6:1 | 903.3 | 865.5 | 3.14% | 96.00% |
| 2009 | 900 | 17,860,352 | 19,845 | -4.17% | 82 | 11.0:1 | 899.7 | 863.7 | 2.73% | 96.00% |
| 2008 | 876 | 18,141,108 | 20,709 | 12.61% | 82 | 11.4:1 | 875.8 | 842.1 | -5.74% | 96.15% |

Sources: District records

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR
REVISED**

| DISTRICT BUILDINGS | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Elementary Schools: | | | | | | | | | | |
| Logan Township (1991): | | | | | | | | | | |
| Square Feet | 131,068 | 131,068 | 131,068 | 131,068 | 131,068 | 131,068 | 131,068 | 131,068 | 131,068 | 131,068 |
| Capacity (Students) | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 | 877 |
| Enrollment | 617 | 613 | 615 | 605 | 610 | 657 | 650 | 651 | 672 | 658 |
| Center Square (2001): | | | | | | | | | | |
| Square Feet | 39,135 | 39,135 | 39,135 | 39,135 | 39,135 | 39,135 | 39,135 | 39,135 | 39,135 | 39,135 |
| Capacity (Students) | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 | 266 |
| Enrollment (a) | 226 | 237 | 228 | 234 | 228 | 222 | 224 | 252 | 227 | 218 |

Number of Buildings at June 30, 2017:

- Elementary = 2
- Middle = 0
- High School = 0
- Other = 0

Source: District Facilities Office, Long Range Facility Plan - FES and District Capacity report.

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

| | LOGAN TOWNSHIP ELEMENTARY | CENTER SQUARE ELEMENTARY | TOTAL |
|------|---------------------------------|--------------------------------|------------|
| 2017 | \$ 152,748 | \$ 53,466 | \$ 206,214 |
| 2016 | 159,531 | 53,650 | 195,256 |
| 2015 | 159,622 | 35,634 | 168,352 |
| 2014 | 133,803 | 34,549 | 168,110 |
| 2013 | 116,326 | 51,784 | 169,188 |
| 2012 | 115,606 | 53,582 | 142,365 |
| 2011 | 98,680 | 43,685 | 115,688 |
| 2010 | 95,490 | 31,141 | 115,688 |
| 2009 | 87,605 | 28,083 | 124,208 |
| 2008 | 24,564 | 99,644 | 109,231 |

Total School Facilities

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

**LOGAN TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2017**

| | COVERAGE | DEDUCTIBLE |
|--|---------------|------------|
| School Package Policy: | | |
| Property | | |
| Blanket Building & Contents | \$ 43,057,205 | \$ 1,000 |
| Pollution | 1,000,000 | - |
| Blanket Dishonesty-Crime Coverage | | |
| Per Person | 100,000 | - |
| Per Loss | 400,000 | 1,000 |
| General Liability | 5,000,000 | - |
| Automobile | 5,000,000 | - |
| Automobile Comprehensive & Collision Coverage | - | 1,000 |
| School Board Legal Liability | 5,000,000 | 5,000 |
| Workers Compensation Including Supplemental Excess Liability-Auto, General Liability, | 5,000,000 | - |
| Workers Compensation & School Board Legal | 15,000,000 | - |
| Student Accident | | |
| Maximum Benefit Per Injury | 1,000,000 | - |
| Surety Bonds: | | |
| Business Administrator | 250,000 | - |

Source: District records

SINGLE AUDIT SECTION

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EXHIBIT K-1

INDEPENDENT AUDITOR'S 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

Honorable President and Members
of the Board of Education
Logan Township School District
County of Gloucester
Swedesboro, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Logan Township School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Logan Township School District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Logan Township School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Logan Township School District's internal control.

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

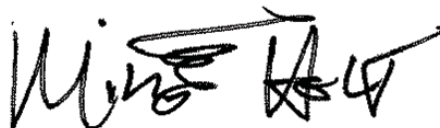
As part of obtaining reasonable assurance about whether the Logan Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Michael Holt", with a stylized flourish at the end.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 30, 2017



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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EXHIBIT K-2

**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
Logan Township School District
County of Gloucester
Swedesboro, New Jersey

Report on Compliance for Each Major State Program

We have audited the Logan Township School District'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 School District's major state programs for the fiscal year ended June 30, 2017. The Logan Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Logan Township School District's major state programs based on our audit of the types of compliance requirements referred to above. 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; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In our opinion, the Logan Township School District 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, 2017.

Report on Internal Control Over Compliance

Management of the Logan Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's 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 state 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 state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read "Michael Holt". The signature is stylized with a large, sweeping "M" and a distinct "H".

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
November 30, 2017

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LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE | FEDERAL CFDA NUMBER | FEDERAL AWARD NUMBER | PASS THROUGH ENTITY IDENTIFYING NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE AT JUNE 30, 2016 | CASH RECEIVED | BUDGETARY EXPENDITURES | REPAYMENT OF PRIOR YEARS' BALANCES | SUBRECEIPT EXPENDITURES | (ACCOUNTS RECEIVABLE) AT JUNE 30, 2017 | UNEARNED REVENUE AT JUNE 30, 2017 | DUE TO GRANTOR JUNE 30, 2017 |
|--|---------------------------|----------------------------|---|-----------------|-----------------|-----------------------------------|------------------|---------------------------|---|----------------------------|---|--|---------------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE, PASSED-THROUGH | | | | | | | | | | | | | |
| STATE DEPARTMENT OF EDUCATION: | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| Child Nutrition Cluster | | | | | | | | | | | | | |
| Noncash Assistance | 10.555 | 171NJ304N1099 | Unavailable | 24,056 | 7/1/16-6/30/17 | \$ - | \$ 24,056 | \$ (24,056) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash Assistance | | | | | | | | | | | | | |
| National School Lunch Program | 10.555 | 16161NJ304N1099 | 100-010-3350-026 | 75,003 | 7/1/15-6/30/16 | (14,702) | 14,702 | - | - | - | - | - | - |
| National School Lunch Program | 10.555 | 171NJ304N1099 | 100-010-3350-026 | 71,706 | 7/1/16-6/30/17 | - | 65,164 | (71,706) | - | - | (6,542) | - | - |
| Healthy Hunger-Free Kids Act | 10.555 | 16161NJ304N1099 | 100-010-3350-026 | 4,336 | 7/1/15-6/30/16 | (843) | - | - | - | - | - | - | - |
| Healthy Hunger-Free Kids Act | 10.555 | 171NJ304N1099 | 100-010-3350-026 | 3,918 | 7/1/16-6/30/17 | - | 3,566 | (3,918) | - | - | (352) | - | - |
| National School Breakfast Program | 10.553 | 16161NJ304N1099 | 100-010-3350-028 | 11,349 | 7/1/15-6/30/16 | (2,869) | 2,869 | - | - | - | - | - | - |
| National School Breakfast Program | 10.553 | 171NJ304N1099 | 100-010-3350-028 | 13,224 | 7/1/16-6/30/17 | - | 12,067 | (13,224) | - | - | (1,157) | - | - |
| Total Child Nutrition Cluster | | | | | | (18,414) | 123,267 | (112,904) | - | - | (8,051) | - | - |
| Total Enterprise Fund | | | | | | (18,414) | 123,267 | (112,904) | - | - | (8,051) | - | - |

U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH
STATE DEPARTMENT OF EDUCATION:

| | | | | | | | | | | | | | |
|------------------------------------|--------|-------------|------------------|---------|----------------|-------------|------------|--------------|------|------|-------------|------|------|
| Special Revenue Fund: | | | | | | | | | | | | | |
| N.C.L.B. | | | | | | | | | | | | | |
| Title I | 84.010 | S010A160030 | 100-034-5064-194 | 89,847 | 7/1/16-6/30/17 | - | 66,477 | (89,847) | - | - | (23,370) | - | - |
| Title I | 84.010 | S010A150030 | 100-034-5064-194 | 90,295 | 7/1/15-6/30/16 | (24,484) | 24,484 | - | - | - | - | - | - |
| Subtotal | | | | | | (24,484) | 90,961 | (89,847) | - | - | (23,370) | - | - |
| Title II - Part A | 84.367 | S367A160029 | 100-034-5063-290 | 16,502 | 7/1/16-6/30/17 | - | 16,502 | (16,502) | - | - | - | - | - |
| Title II - Part A | 84.367 | S367A150029 | 100-034-5063-290 | 16,964 | 7/1/15-6/30/16 | (1) | 1 | - | - | - | - | - | - |
| Subtotal | | | | | | (1) | 16,503 | (16,502) | - | - | - | - | - |
| Title III | 84.365 | S365A160030 | | 965 | 7/1/16-6/30/17 | 246 | 495 | (1,521) | - | - | (780) | - | - |
| Subtotal | | | | | | 246 | 495 | (1,521) | - | - | (780) | - | - |
| I.D.E.A. B - Basic | 84.027 | H027A160100 | 100-034-5065-016 | 211,314 | 7/1/16-6/30/17 | - | 178,121 | (211,314) | - | - | (33,193) | - | - |
| I.D.E.A. B - Basic | 84.027 | H027A150100 | 100-034-5065-016 | 214,878 | 7/1/15-6/30/16 | (29,307) | 29,307 | - | - | - | - | - | - |
| Subtotal | | | | | | (29,307) | 207,428 | (211,314) | - | - | (33,193) | - | - |
| I.D.E.A. - Preschool | 84.173 | H173A160114 | 100-034-5065-020 | 8,315 | 7/1/16-6/30/17 | - | 7,715 | (8,315) | - | - | (600) | - | - |
| I.D.E.A. - Preschool | 84.173 | H173A150114 | 100-034-5065-020 | 8,182 | 7/1/15-6/30/16 | (582) | 582 | - | - | - | - | - | - |
| Subtotal | | | | | | (582) | 8,297 | (8,315) | - | - | (600) | - | - |
| Total Special Revenue Fund | | | | | | (54,128) | 323,684 | (327,499) | - | - | (57,943) | - | - |
| Total Federal Financial Assistance | | | | | | \$ (72,542) | \$ 446,951 | \$ (440,403) | \$ - | \$ - | \$ (65,994) | \$ - | \$ - |

LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| STATE GRANTOR/PROGRAM TITLE | GRANT OR PROJECT NUMBER | AWARD AMOUNT | GRANT PERIOD | BALANCE AT | | CASH RECEIVED | BUDGETARY EXPENDITURES | SUBRECIPIENT EXPENDITURES | (ACCOUNTS RECEIVABLE) AT JUNE 30, 2017 | UNEARNED REVENUE AT JUNE 30, 2017 | DUE TO GRANTOR JUNE 30, 2017 | MEMO | |
|--|-------------------------|--------------|----------------|---------------|---------------|---------------|------------------------|---------------------------|--|-----------------------------------|------------------------------|----------------------|-------------------------------|
| | | | | JUNE 30, 2016 | JUNE 30, 2017 | | | | | | | BUDGETARY RECEIVABLE | CUMULATIVE TOTAL EXPENDITURES |
| State Department of Education | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | |
| State Aid Public: | | | | | | | | | | | | | |
| Equalization Aid | 495-034-5120-078 | \$ 3,990,950 | 7/1/16-6/30/17 | \$ - | \$ 3,990,950 | \$ - | (3,990,950) | \$ - | \$ - | \$ - | \$ - | (377,362) | \$ 3,990,950 |
| Special Education Categorical Aid | 495-034-5120-089 | 633,953 | 7/1/16-6/30/17 | - | 633,953 | - | (633,953) | - | - | - | - | (59,943) | 633,953 |
| Security Aid | 495-034-5120-084 | 101,621 | 7/1/16-6/30/17 | - | 101,621 | - | (101,621) | - | - | - | - | (9,609) | 101,621 |
| Adjustment Aid | 495-034-5120-085 | 262,787 | 7/1/16-6/30/17 | - | 262,787 | - | (262,787) | - | - | - | - | (24,848) | 262,787 |
| PARCC Readiness Aid | 495-034-5120-098 | 10,620 | 7/1/16-6/30/17 | - | 10,620 | - | (10,620) | - | - | - | - | (1,004) | 10,620 |
| Per Pupil Growth Aid | 495-034-5120-097 | 10,620 | 7/1/16-6/30/17 | - | 10,620 | - | (10,620) | - | - | - | - | (1,004) | 10,620 |
| Professional Learning Community Aid | 495-034-5120-101 | 10,690 | 7/1/16-6/30/17 | - | 10,690 | - | (10,690) | - | - | - | - | (1,011) | 10,690 |
| Total State Aid Public | | | | | 5,021,241 | | (5,021,241) | | | | | (474,781) | 5,021,241 |
| Transportation Aid | 495-034-5120-014 | 384,544 | 7/1/16-6/30/17 | - | 384,544 | - | (384,544) | - | - | - | - | (36,360) | 384,544 |
| Extraordinary Aid | 495-034-5120-044 | 51,057 | 7/1/15-6/30/16 | (51,057) | 51,057 | - | - | - | - | - | - | - | - |
| Additional Non Public Transportation Aid | 495-034-5120-044 | 48,995 | 7/1/16-6/30/17 | - | 48,995 | - | (48,995) | - | - | - | - | - | 48,995 |
| Additional Non Public Transportation Aid | 495-034-5120-014 | 14,601 | 7/1/15-6/30/16 | (14,601) | 14,601 | - | - | - | - | - | - | - | - |
| Lead Testing for Schools Aid | 495-034-5120-014 | 5,742 | 7/1/16-6/30/17 | - | 5,742 | - | (5,742) | - | - | - | - | - | 5,742 |
| On-Behalf TPAF Social Security Reimbursement | 495-034-5120-104 | 1,915 | 7/1/16-6/30/17 | - | 1,915 | - | (1,915) | - | - | - | - | - | 1,915 |
| On-Behalf TPAF Social Security Reimbursement | 495-034-5094-003 | 477,682 | 7/1/15-6/30/16 | (23,723) | 23,723 | - | - | - | - | - | - | - | - |
| TPAF Pension Contribution (Noncash Assistance) | 495-034-5094-003 | 494,515 | 7/1/16-6/30/17 | - | 470,151 | - | (494,515) | - | - | - | - | (24,364) | 494,515 |
| TPAF Post-Retirement Medical (Noncash Assistance) | 495-034-5094-001 | 689,276 | 7/1/16-6/30/17 | - | 689,276 | - | (689,276) | - | - | - | - | - | 689,276 |
| TPAF Long-Term Disability Insurance (Noncash Assistance) | 495-034-5094-004 | 574,324 | 7/1/16-6/30/17 | - | 574,324 | - | (574,324) | - | - | - | - | - | 574,324 |
| | | 1,813 | 7/1/16-6/30/17 | - | 1,813 | - | (1,813) | - | - | - | - | - | 1,813 |
| Total General Fund | | | | (89,381) | 7,230,730 | | (7,222,365) | | | | | (511,141) | 7,222,365 |
| Special Revenue Fund: | | | | | | | | | | | | | |
| Preschool Education Aid | 495-034-5120-086 | 36,300 | 7/1/15-6/30/16 | (2,821) | 2,821 | - | - | - | - | - | - | - | - |
| Preschool Education Aid | 495-034-5120-086 | 36,300 | 7/1/16-6/30/17 | - | 32,670 | - | (35,366) | - | - | - | - | (2,696) | 35,366 |
| Total Special Revenue Fund | | | | (2,821) | 35,491 | | (35,366) | | | | | (2,696) | 35,366 |
| Capital Projects Fund: | | | | | | | | | | | | | |
| SDA Grant - Cooling Tower Replacement | G5-5145 | 230,800 | 7/1/13-6/30/16 | (152,551) | - | - | - | - | - | - | - | (152,551) | - |
| SDA Grant - Boiler Replacement | G5-5146 | 183,892 | 7/1/14-6/30/16 | (136,830) | - | - | - | - | - | - | - | (136,830) | - |
| SDA Grant - HVAC in Gym | G5-5143 | 185,600 | 7/1/14-6/30/16 | (127,362) | - | - | - | - | - | - | - | (127,362) | - |
| SDA Grant - Exterior Doors | G5-5144 | 48,048 | 7/1/14-6/30/16 | (47,943) | - | - | - | - | - | - | - | (47,943) | - |
| Total Capital Projects Fund | | | | (464,686) | - | | - | | | | | (464,686) | - |
| Debt Service Fund: | | | | | | | | | | | | | |
| Debt Service Aid Type II | 495-034-5120-075 | 190,201 | 7/1/16-6/30/17 | - | 190,201 | - | (190,201) | - | - | - | - | - | 190,201 |
| Total Debt Service Fund | | | | - | 190,201 | | (190,201) | | | | | - | 190,201 |
| Enterprise Fund: | | | | | | | | | | | | | |
| National School Lunch Program | 100-010-3360-067 | 3,193 | 7/1/15-6/30/16 | (621) | 621 | - | - | - | - | - | - | - | - |
| National School Lunch Program | 100-010-3360-067 | 2,893 | 7/1/16-6/30/17 | - | 2,632 | - | (2,893) | - | - | - | - | (261) | 2,893 |
| Total Enterprise Fund | | | | (621) | 3,253 | | (2,893) | | | | | (261) | 2,893 |
| Total State Financial Assistance | | | | \$ (557,509) | \$ 7,459,675 | | \$ (7,450,825) | | | | | \$ (514,771) | \$ 7,450,825 |
| Less: Grants Not Subject to Type A/B Threshold Calculation: | | | | | | | | | | | | | |
| On-Behalf TPAF Pension Contributions | 495-034-5094-002 | 689,276 | 7/1/16-6/30/17 | | | | 689,276 | | | | | | |
| On-Behalf TPAF Post-Retirement Medical | 495-034-5094-001 | 574,324 | 7/1/16-6/30/17 | | | | 574,324 | | | | | | |
| On-Behalf Long-Term Disability Insurance | 495-034-5094-004 | 1,813 | 7/1/16-6/30/17 | | | | 1,813 | | | | | | |
| Total State Financial Assistance subject to Major Program Determination | | | | | | | \$ (6,185,412) | | | | | | |

LOGAN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Logan Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

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 School District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

Note 3. Relationship to Basic Financial Statements

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

**LOGAN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments 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 \$15,994 for the general fund and \$125 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

| <u>Fund</u> | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|-------------------------------------|-------------------|---------------------|---------------------|
| General Fund | \$ - | \$ 7,238,359 | \$ 7,238,359 |
| Special Revenue Fund | 327,499 | 35,491 | 362,990 |
| Debt Service Fund | - | 190,201 | 190,201 |
| Food Service Fund | 112,904 | 2,893 | 115,797 |
| | <hr/> | <hr/> | <hr/> |
| Total Awards & Financial Assistance | <u>\$ 440,403</u> | <u>\$ 7,466,944</u> | <u>\$ 7,907,347</u> |

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Logan Township School District had no loan balances outstanding at June 30, 2017.

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes x no

2) Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

SECTION IS N/A - NOT REQUIRED

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? yes none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200 section .516(a) of Uniform Guidance? yes no

Identification of major programs:

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

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs Unmodified

Auditee qualified as low-risk auditee? x yes no

Internal control over major programs:

 1) Material weakness(es) identified? yes x no

 2) Significant deficiency(ies) identified? yes x no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes x no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

| <u>State Grant/Project Number(s)</u> | <u>Name of State Program</u> |
|--------------------------------------|--|
| <u>495-034-5120-078</u> | <u>State Aid Public:</u> |
| <u>495-034-5120-089</u> | <u>Equalization Aid</u> |
| <u>495-034-5120-084</u> | <u>Special Education Categorical Aid</u> |
| <u>495-034-5120-085</u> | <u>Security Aid</u> |
| <u>495-034-5120-098</u> | <u>Adjustment Aid</u> |
| <u>495-034-5120-097</u> | <u>PARCC Readiness Aid</u> |
| <u>495-034-5120-101</u> | <u>Per Pupil Growth Aid</u> |
| <u>495-034-5094-003</u> | <u>Professional Learning Community Aid</u> |
| | <u>Reimbursed TPAF Social Security</u> |

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**LOGAN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

N/A – Federal single audit not required

STATE FINANCIAL ASSISTANCE

None

**LOGAN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

N/A – No Federal Single Audit in prior year.

State Financial Assistance

No Prior Year Findings.