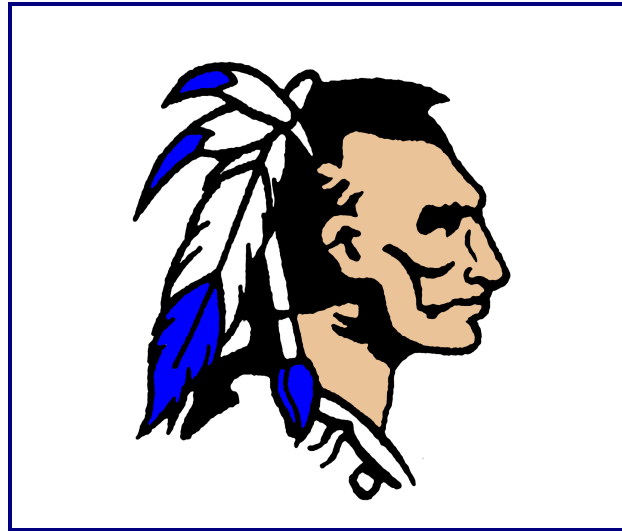


**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE
SCHOOL DISTRICT
WILLIAMSTOWN, NEW JERSEY**



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

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INTRODUCTORY SECTION



Monroe Township Public Schools

MAPLE GROVE ADMINISTRATION BUILDING
75 E. ACADEMY STREET
WILLIAMSTOWN, NJ 08094
(856) 629-6400 • Fax (856) 262-2499

CHARLES M. EARLING
Superintendent of Schools
LISA SCHULZ
Business Administrator/Board Secretary
RALPH E. ROSS, SR.
Human Resources
JOHN L. BERSH, Ed.D.
Supervisor of Special Services

November 21, 2017

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

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the District's Management's Discussion and Analysis, financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the State of New Jersey Circular 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on compliance and on internal control with applicable laws and regulations and findings and recommendations, over financial reporting and administrative findings - financial, compliance and performance, is included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2016-17 fiscal year with an average daily enrollment of 6290.2 students, which is 218.1 students greater than the previous year's average daily enrollment. The following details the changes in the student enrollment of the District over the last thirteen years.

1. REPORTING ENTITY AND ITS SERVICES (Cont'd.):

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-2017	6,290.2	7.1%
2015-2016	6,072.1	0.006%
2014-2015	6,035.1	2.23%
2013-2014	5,903.4	1.67%
2012-2013	6,003.8	-0.86%
2011-2012	6,055.8	-.02%
2010-2011	6,056.8	1.38%
2009-2010	5,974.1	1.55%
2008-2009	5,883.1	-3.00%
2007-2008	6,065.0	.29%
2006-2007	6,047.0	4.73%
2005-2006	5,774.0	6.10%
2004-2005	5,442.0	2.22%
2003-2004	5,324.0	3.85%
2002-2003	5,126.5	4.45%
2001-2002	4,902.2	.46%

2. ECONOMIC CONDITION AND OUTLOOK: The Monroe Township area is experiencing a period of moderate development and expansion which is expected to continue. The national economic conditions' slow growth results in little increase in the tax base, both residential and commercial. This condition is expected to continue which suggests that the Monroe Township area will continue to maintain the status quo.

3. DISTRICT ASSESSMENT RESULTS AND INITIATIVES: Monroe Township Public School's total population scores, for the 2016-2017 school year on the following New Jersey assessments:

<u>Grade/Subject</u>	<u>Total % Met and Exceeded</u>
3rd Grade	
ELA	50.8
Math	57.1
4th Grade	
ELA	56.1
Math	50.9
Science (total prof)	93.6
5th Grade	
ELA	49.9
Math	34.0
6th Grade	
ELA	38.2
Math	38.9
7th Grade	
ELA	53.4
Math	33.8
8th Grade	
ELA	56.0

Math	39.6
Science (total prof)	75.1
Algebra	33.3
Geometry	17.6
Algebra II	12.8
9th Grade ELA	35.0
10th Grade ELA	32.1
11th Grade ELA	15.9
Biology (total prof)	47.6

- √ **Provide Support Resources**
 - Online ASCD Best Practice Research Library
 - District support materials
 - LinkIt! Support
 - Teaching and Learning time devoted to each school
 - iObservation Resource Library
 - Foundations and McGraw Hill consultants
- √ **Continued District Professional Development Focus on:**
 - Continued Implementation of NJSLS
 - District teacher evaluation model (Marzano/iObservation)
 - Implementation and Training on LinkIt!
 - Rigorous and Quality Assessments
 - Ongoing Data Analysis
 - Differentiated Instruction
 - Ongoing Integration of Technology into Instruction
 - District-wide Articulation
 - Improving Student Achievement
- √ **NCLB Program Status**
 - Increased Parent Involvement
 - Focus on Student Achievement
 - Ongoing, Sustained Professional Development
 - Ongoing, Implementation of NJSLS

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

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

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

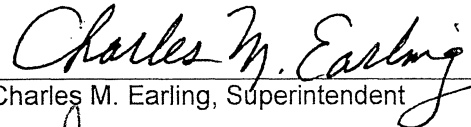
5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates of the municipality. Annual

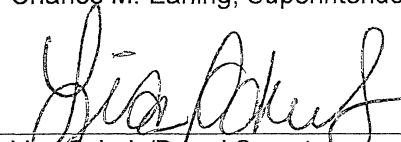
appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be included as re-appropriated are reported as reservations of fund balance at June 30, 2015.

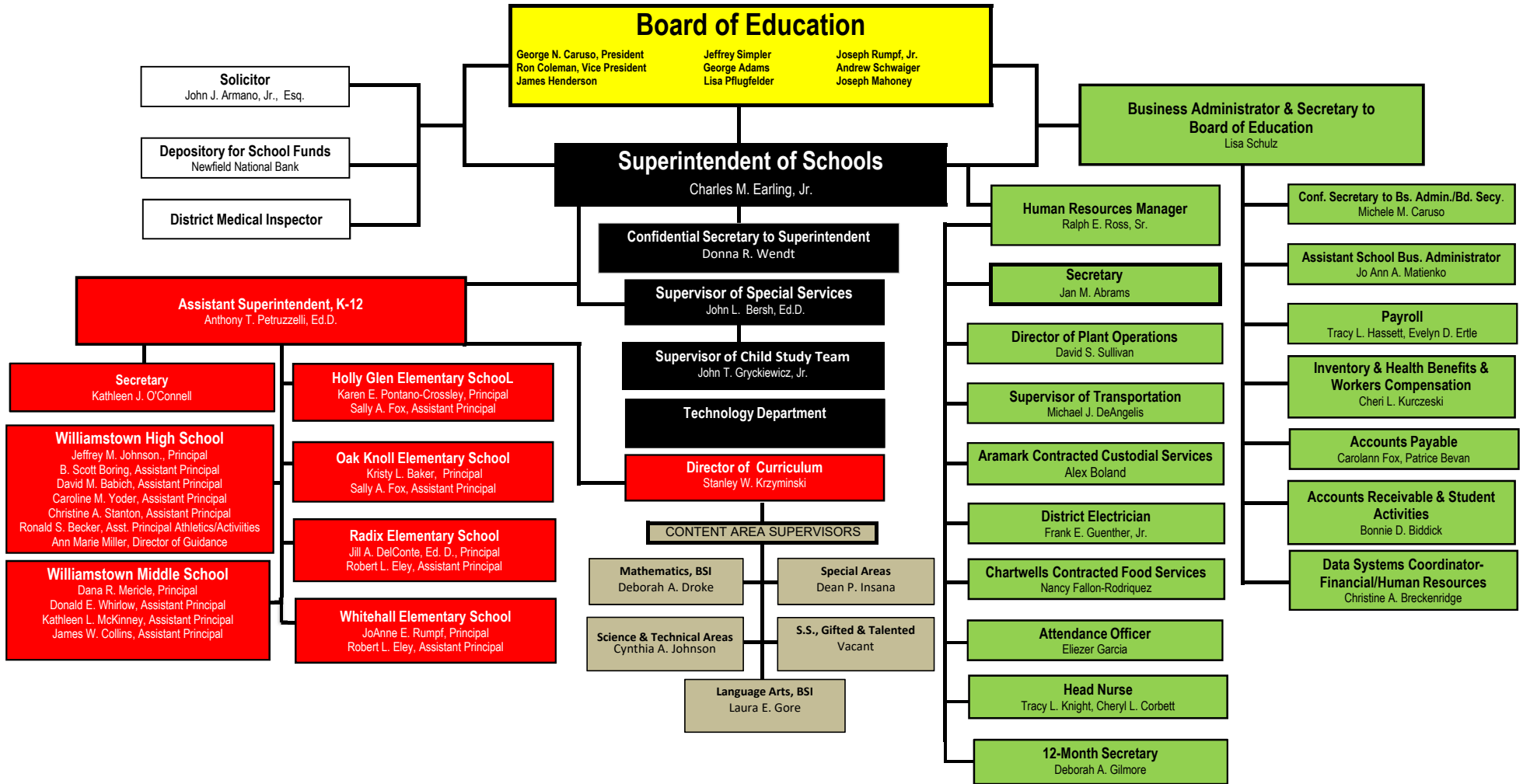
6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The Law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
9. **OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company LLP was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and the State of New Jersey Circular 15-08-OMB. The auditor's report on the general purpose financial 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.
10. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Township of Monroe Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Charles M. Earling, Superintendent


Lisa Schulz/Board Secretary
Business Administrator

MONROE TOWNSHIP PUBLIC SCHOOLS Organization Table



**BOARD OF EDUCATION OF THE
TOWNSHIP OF MONROE
WILLIAMSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2017**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
George Caruso, President	2019
Ron Coleman, Vice President	2018
George N. Adams	2018
James Henderson	2018
Joseph Mahoney	2017
Lisa Pflugfelder	2017
Joseph Rumpf, Jr.	2019
Andrew Schwaiger	2017
Jeffrey Simpler	2017

Other Officials

Charles E. Earling, Superintendent

Lisa Schulz, School Business
Administrator/Board Secretary

Bonnie Biddick, Board Designee

John J. Armano Jr., Esq., Solicitor

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF MONROE**

Consultants and Advisors

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

Mr. John J. Armano, Jr.
Washington Professional Campus
900 Route 168
Suites B1 – B2
Turnersville, NJ 08012

Official Depository

Newfield Bank
18 West Boulevard
Newfield, NJ 08344-9599

Insurance Agent

Hardenbergh Insurance Group
8000 Sagemore Drive
Marlton, NJ 08053

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, 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 Township of Monroe School District, in the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and 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 School 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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.

26500

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 Township of Monroe School District, in the 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 fiscal 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, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's contributions, and schedule of funding progress for OPEB plan, 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 Township of Monroe School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying 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.

26500

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017 on our consideration of the Township of Monroe 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 Township of Monroe School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
November 21, 2017



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Monroe School District
County of Gloucester, 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 statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and 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 Township of Monroe School District, in the 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, and have issued our report thereon dated November 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Monroe 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 Township of Monroe 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 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 Township of Monroe 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 Division of Administration and 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 entity'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 Division of Administration and 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,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
November 21, 2017

REQUIRED SUPPLEMENTARY INFORMATION
PART I

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited)

The discussion and analysis of Monroe Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2017 are as follows:

- In total, net position decreased \$405,617.26, due to an increase in benefit costs.
- General revenues accounted for \$89,162,626.33 in revenue or 75% of all governmental activity revenues. Program specific revenues in the form of charges for services, and operating grants and contributions, accounted for \$29,311,281.78 or 25% of total revenues for governmental activities of \$118,473,908.11.
- The School District had \$121,046,418.99 in total expenses; \$31,471,455.36 of these expenses were offset by program specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$95,002,865.42 in revenues, \$94,377,362.23 in expenditures and \$1,413,911.48 of other financing uses. The General Fund's balance decreased \$788,408.29 over 2016 mainly due to the transfer from Capital Reserve to Capital Projects fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited-Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental and business – type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service and the Capital Projects Fund; the School District has no Permanent Fund.

Governmental Funds

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited-Cont'd)

THE SCHOOL DISTRICT AS A WHOLE

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

The table below provides a summary of the School District's net position for 2017 and 2016.

	2017	2016
Assets		
Current and Other Assets	\$ 18,914,574.78	\$ 15,822,405.77
Capital Assets	85,509,153.58	88,168,506.59
Total Assets	<u>104,423,728.36</u>	<u>103,990,912.36</u>
Deferred Outflows of Resources		
Related to Pensions	6,611,544.00	3,031,764.00
Deferred Loss on Defeasance	2,774,450.80	2,981,801.97
Total Deferred Outflows of Resources	<u>9,385,994.80</u>	<u>6,013,565.97</u>
Liabilities		
Noncurrent Liabilities	80,623,650.01	78,445,022.98
Other Liabilities	5,603,227.99	3,225,380.92
Total Liabilities	<u>86,226,878.00</u>	<u>81,670,403.90</u>
Deferred Inflows of Resources		
Related to Pensions	-	345,612.00
Net Position		
Net Investment in Capital Assets	37,767,411.34	37,575,939.06
Restricted	12,120,250.92	11,408,085.28
Unrestricted (Deficit)	(22,304,817.10)	(20,995,561.91)
Total Net Position	<u>\$ 27,582,845.16</u>	<u>\$ 27,988,462.43</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited-Cont'd)

THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

The following shows a summary of the School District's changes in net position for fiscal year 2017 and 2016.

	2017	2016
Program Revenues:		
Charges for Services	\$ 671,550.34	\$ 319,192.56
Operating Grants and Contributions	28,558,206.75	22,007,381.60
Capital Grants and Contributions	81,524.69	195,566.53
General Revenues:		
Property Taxes	52,142,577.00	50,593,181.00
Federal and State Aid, Not Restricted	36,257,502.44	35,462,742.25
Other	762,546.89	364,404.94
Total Revenues	\$ 118,473,908.11	\$ 108,942,468.88
Program Expenses		
Governmental Activities:		
Instruction	\$ 36,105,953.67	\$ 36,370,058.35
Support Services:		
Student Administrative Services	15,863,222.39	14,080,080.78
School Administrative Services	3,884,764.06	3,847,739.27
General and Business Administrative Services	3,637,512.02	3,237,534.39
Plant Operation and Maintenance	8,618,819.54	8,472,030.35
Pupil Transportation	7,540,316.22	7,093,823.69
Unallocated Benefits	41,037,738.99	32,440,763.88
Transfer to Charter Schools	59,248.00	66,029.00
Unallocated Depreciation	32,770.00	29,857.00
Interest on Long-Term Debt	2,077,407.15	2,147,416.10
Loss on Disposal of Fixed Assets	28,207.37	67,971.86
Total Expenses, Governmental Activities	118,885,959.41	107,853,304.67
Change in Governmental Activities Net Position	\$ (412,051.30)	\$ 1,089,164.21
	2017	2016
Business-Type Activities Net Income:		
Food Service	\$ 2,166,893.61	\$ 2,336,043.53
Business-Type Activities Expenses	(2,160,459.58)	(2,255,898.96)
Change in Business-Type Activities Net Position	\$ 6,434.03	\$ 80,144.57

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited-Cont'd)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

The next table provides an illustration of the impact of the School District's Net Position for the implementation of GASB 68, which is related to pensions.

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 6,611,544.00	\$ 3,031,764.00	\$ 3,579,780.00	100.00%
Less: Net Pension Liability	21,389,020.00	16,085,534.00	5,303,486.00	32.97%
Less: Deferred Inflows Related to Pensions		345,612.00	(345,612.00)	-100.00%
	<u>\$ 28,000,564.00</u>	<u>\$ 19,462,910.00</u>	<u>\$ 8,537,654.00</u>	<u>-2.80%</u>

Governmental Activities

Municipal appropriations, state aid and federal aid made up 75% of revenues for governmental activities for the School District for fiscal year 2017.

Instruction comprises 30% of District governmental expenses. Support services expenses (excluding debt service costs) make up 68% of the governmental expenses. Debt service expenses are 2% of the governmental expenses.

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. The table below shows the total cost of services and the net cost of services for fiscal year 2017. That is, it identifies the cost of these services supported by general revenues.

	Total Cost of Services	Net Cost of Services
Instruction	\$ 36,105,953.67	\$ 33,892,924.23
Support Services:		
Student and Instruction Related Services	15,863,222.39	14,455,353.80
School Administrative Services	3,884,764.06	3,884,764.06
General and Business Administrative Services	3,637,512.02	3,637,512.02
Plant Operation and Maintenance	8,618,819.54	8,618,819.54
Pupil Transportation	7,540,316.22	7,540,316.22
Unallocated Benefits	41,037,738.99	15,848,438.76
Transfer to Charter Schools	59,248.00	59,248.00
Unallocated Depreciation	32,770.00	32,770.00
Interest on Long-Term Debt	2,077,407.15	1,576,323.63
Loss on Disposal of Fixed Assets	28,207.37	28,207.37
Total Expenses	<u>\$ 118,885,959.41</u>	<u>\$ 89,574,677.63</u>

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

Student and instruction related services include the activities designed to assess and improve the wellbeing of students and to supplement the teaching process.

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited-Cont'd)

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Business and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities.

Employee benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

The dependence upon municipal appropriations and state aid is apparent. The local communities and the state, are the primary support for the Monroe Township School District.

THE SCHOOL DISTRICT'S FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$102,665,120.11, expenditures of \$102,164,315.52, and net other financing sources of \$149,334.98.

GENERAL FUND BUDGETING HIGHLIGHTS

This fund is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

During the course of the 2017 fiscal year, the School District modified its General Fund budget numerous times as needed for including:

- Staffing changes based on student needs
- Additional cost for Purchased Professional Educational Services
- Changes in appropriations to prevent budget overruns

For the General Fund, the original budget basis revenue estimate was \$84,523,200.00, which remained the same throughout the year.

During fiscal year 2017, the School District budgeted \$48,518,982.00 and \$35,037,412.00 for municipal tax levy and state aid revenues, respectively. The School District also budgeted \$181,524.00 for federal aid revenues. The School District also received \$2,463,670.23 in reimbursed TPAF Social Security aid, \$6,906,541.00 in reimbursed TPAF pension aid, and other un-budgeted state aid of \$206,800.00 resulting in a favorable revenue variance for the fiscal year.

The original budget basis expenditure appropriation estimate was \$90,646,273.08, which remained the same throughout the year.

TOWNSHIP OF MONROE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Unaudited-Cont'd)

CAPITAL ASSETS

At the end of the fiscal year 2017, the School District had \$130,644,399.90 invested in land, buildings, furniture and equipment.

The table below shows a summary of the fiscal 2017 capital asset balances.

Land	\$ 2,264,917.00
Construction in Progress	2,938,771.15
Buildings and Improvements	120,121,411.88
Equipment	5,319,299.87
Totals	<u>\$ 130,644,399.90</u>

Overall capital assets increased \$381,375.39 from fiscal year 2016 to fiscal year 2017 mainly due to the School District continuing construction projects.

DEBT ADMINISTRATION

The School District receives state aid and municipal tax levy funds for the payment of debt.

CURRENT FINANCIAL ISSUES AND CONCERNS

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey, the District manages to provide an excellent educational opportunity for all School District students. The School District's management has worked diligently on trying to minimize the impact of increasing costs on the taxpayers. The 2011-2012 actual expenses were \$78,186,491.76, while the 2017-2018 budget contemplates spending \$91,575,629.00 an average increase of 2.67% per year. These increases are the result of salary increases, additions to staff resulting from higher enrollments, significant increases for health benefits and transportation costs without any corresponding increase in state aid for the past few years.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

These financial reports are designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Lisa Schulz Secretary to the Board of Education and School Business Administrator at: Monroe Township Board of Education, 75 East Academy Street, Williamstown, New Jersey 08094.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Net Position
As of June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 12,589,904.85	\$ 610,716.03	\$ 13,200,620.88
Receivables	2,396,973.61	232,090.40	2,629,064.01
Inventories		36,385.42	36,385.42
Restricted Assets:			
Restricted Cash and Cash Equivalents	3,048,504.47		3,048,504.47
Capital Assets, net	85,168,663.58	340,490.00	85,509,153.58
Total Assets	103,204,046.51	1,219,681.85	104,423,728.36
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	6,611,544.00		6,611,544.00
Deferred Loss on Defeasance	2,774,450.80		2,774,450.80
Total Deferred Outflows Of Resources	9,385,994.80	-	9,385,994.80
LIABILITIES:			
Accounts Payable and Other Current Liabilities	4,679,269.17	89,994.50	4,769,263.67
Unearned Revenue	111,588.91	39,926.55	151,515.46
Accrued Interest Payable	682,448.86		682,448.86
Noncurrent Liabilities:			
Due within One Year	3,111,679.49		3,111,679.49
Due Beyond One Year	77,511,970.52		77,511,970.52
Total Liabilities	86,096,956.95	129,921.05	86,226,878.00
NET POSITION:			
Net Investment in Capital Assets	37,426,921.34	340,490.00	37,767,411.34
Restricted for:			
Capital Reserve Account	1,053,297.73		1,053,297.73
Excess Surplus	8,688,511.00		8,688,511.00
Capital Projects	1,938,174.74		1,938,174.74
Special Revenue	440,267.45		440,267.45
Unrestricted (Deficit)	(23,054,087.90)	749,270.80	(22,304,817.10)
Total Net Position	\$ 26,493,084.36	\$ 1,089,760.80	\$ 27,582,845.16

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2017

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
Instruction:							
Regular	\$ 24,557,376.56	\$ 671,550.34	\$ 1,541,479.10		\$ (22,344,347.12)		\$ (22,344,347.12)
Special Education	8,587,459.06				(8,587,459.06)		(8,587,459.06)
Other Special Instruction	1,659,185.11				(1,659,185.11)		(1,659,185.11)
Other Instruction	1,301,932.94				(1,301,932.94)		(1,301,932.94)
Support Services:							
Student and Instruction Related Services	15,863,222.39		1,326,343.90	\$ 81,524.69	(14,455,353.80)		(14,455,353.80)
School Administrative Services	3,884,764.06				(3,884,764.06)		(3,884,764.06)
General and Business Administrative Services	3,637,512.02				(3,637,512.02)		(3,637,512.02)
Plant Operations and Maintenance	8,618,819.54				(8,618,819.54)		(8,618,819.54)
Pupil Transportation	7,540,316.22				(7,540,316.22)		(7,540,316.22)
Unallocated Benefits	41,037,738.99		25,189,300.23		(15,848,438.76)		(15,848,438.76)
Transfer to Charter Schools	59,248.00				(59,248.00)		(59,248.00)
Unallocated Depreciation	32,770.00				(32,770.00)		(32,770.00)
Interest Expense	2,077,407.15		501,083.52		(1,576,323.63)		(1,576,323.63)
Total Governmental Activities	118,857,752.04	671,550.34	28,558,206.75	81,524.69	(89,546,470.26)	\$ -	(89,546,470.26)
BUSINESS-TYPE ACTIVITIES:							
Food Service	2,160,173.58	1,004,030.83	1,162,862.78			6,720.03	6,720.03
Total Business-Type Activities	2,160,173.58	1,004,030.83	1,162,862.78	-	-	6,720.03	6,720.03
Total Government	\$ 121,017,925.62	\$ 1,675,581.17	\$ 29,721,069.53	\$ 81,524.69	\$ (89,546,470.26)	\$ 6,720.03	\$ (89,539,750.23)
GENERAL REVENUES (EXPENSES):							
Property Tax Levy					\$ 52,142,577.00		\$ 52,142,577.00
Federal and State Aid					36,257,502.44		36,257,502.44
Investment Earnings					94,281.04		94,281.04
Miscellaneous Income					668,265.85		668,265.85
Loss on Disposal of Capital Assets					(28,207.37)	\$ (286.00)	(28,493.37)
Total General Revenues (Expenses)					89,134,418.96	(286.00)	89,134,132.96
Change in Net Position					(412,051.30)	6,434.03	(405,617.27)
Net Position -- July 1					26,905,135.66	1,083,326.77	27,988,462.43
Net Position - Ending					\$ 26,493,084.36	\$ 1,089,760.80	\$ 27,582,845.16

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 13,643,202.58	\$ 68,611.68	\$ 1,926,595.06		\$ 15,638,409.32
Due from Other Funds	318,821.56				318,821.56
Intergovernmental Accounts Receivable:					
State	687,127.68		37,956.42		725,084.10
Federal	19,884.88	752,125.00			772,009.88
Other	369,697.37				369,697.37
Other Accounts Receivable	209,669.96	1,690.74			211,360.70
Total Assets	\$ 15,248,404.03	\$ 822,427.42	\$ 1,964,551.48	\$ -	\$ 18,035,382.93
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 3,614,210.46	\$ 334,239.97	\$ 26,376.74		\$ 3,974,827.17
Due to Grantor		46,580.00			46,580.00
Unearned Revenue	110,248.91	1,340.00			111,588.91
Total Liabilities	3,724,459.37	382,159.97	26,376.74	\$ -	4,132,996.08
Fund Balances:					
Restricted:					
Capital Reserve Account	1,053,297.73				1,053,297.73
Excess Surplus	8,688,511.00				8,688,511.00
Capital Projects			1,938,174.74		1,938,174.74
Special Revenue		440,267.45			440,267.45
Assigned:					
Other Purposes	53,785.63				53,785.63
Subsequent Year's Expenditure					
Unassigned	1,728,350.30				1,728,350.30
Total Fund Balances	11,523,944.66	440,267.45	1,938,174.74		13,902,386.85
Total Liabilities and Fund Balances	\$ 15,248,404.03	\$ 822,427.42	\$ 1,964,551.48	\$ -	

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 are \$130,644,399.90 and the accumulated depreciation is \$45,475,736.32.

85,168,663.58

Losses arising from the issuance of refunding bonds that are a result of the difference in the carrying value of the refunded bonds and the new bonds are deferred and amortized over the life of the new bonds.

2,774,450.80

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.

(682,448.86)

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
 Balance Sheet
 As of June 30, 2017

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because (Cont'd):

Postemployment benefits other than pension are accrued during an employees tenure and not due and payable in the current period and therefore are not reported as liabilities in the funds.	\$ (4,601,000.00)
Long-term liabilities, including compensated absences and pension deferrals, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(54,633,630.01)
Net Pension Liability	(21,389,020.00)
Accounts Payable related to the April 1, 2018 required PERS pension contribution that is not to be liquidated with current financial resources.	(657,862.00)
Deferred Outflows of Resources - Related to Pensions	<u>6,611,544.00</u>
Net Position of governmental activities	<u><u>\$ 26,493,084.36</u></u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Tax Levy	\$ 48,518,982.00			\$ 3,623,595.00	\$ 52,142,577.00
Miscellaneous Revenue	1,420,456.98	\$ 13,640.25			1,434,097.23
State Sources	44,631,543.23	467,660.00	\$ 57,755.51	1,089,312.00	46,246,270.74
Federal Sources	431,883.21	2,410,291.93			2,842,175.14
Total Revenues	95,002,865.42	2,891,592.18	57,755.51	4,712,907.00	102,665,120.11
EXPENDITURES:					
Current:					
Regular Instruction	22,273,338.02	1,566,388.99			23,839,727.01
Special Education Instruction	8,235,965.34				8,235,965.34
Other Special Instruction	1,591,272.92				1,591,272.92
Other Instruction	1,241,420.71				1,241,420.71
Support Services and Undistributed Costs:					
Student and Instruction Related Services	13,883,833.06	1,326,343.90			15,210,176.96
School Administrative Services	3,721,707.39				3,721,707.39
Other Administrative Services	3,344,074.92				3,344,074.92
Plant Operations and Maintenance	8,191,298.76				8,191,298.76
Pupil Transportation	7,540,316.22				7,540,316.22
Unallocated Benefits	23,731,635.30				23,731,635.30
Transfer Funds to Charter Schools	59,248.00				59,248.00
Debt Service:					
Principal				2,610,000.00	2,610,000.00
Interest and Other Charges				2,109,364.49	2,109,364.49
Capital Outlay	563,251.59	23,769.18	151,086.73		738,107.50
Total Expenditures	94,377,362.23	2,916,502.07	151,086.73	4,719,364.49	102,164,315.52
Excess (Deficiency) of Revenues over Expenditures	625,503.19	(24,909.89)	(93,331.22)	(6,457.49)	500,804.59
OTHER FINANCING SOURCES (USES):					
Capital Leases	149,334.98				149,334.98
Operating Transfers:					
Transfers (to) from other Governmental Funds	(1,563,246.46)		1,563,246.46		
Total Other Financing Sources and Uses	(1,413,911.48)	-	1,563,246.46	-	149,334.98
Net Change in Fund Balances	(788,408.29)	(24,909.89)	1,469,915.24	(6,457.49)	650,139.57
Fund Balance -- July 1	12,312,352.95	465,177.34	468,259.50	6,457.49	13,252,247.28
Fund Balance -- June 30	\$ 11,523,944.66	\$ 440,267.45	\$ 1,938,174.74	\$ -	\$ 13,902,386.85

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2017

Total Net Change in Fund Balances - Governmental Funds	\$	650,139.57
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which actual capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (3,340,583.14)
New Capital Leases		(149,334.98)
Capital Outlay		<u>738,107.50</u>
		(2,751,810.62)
<p>Repayment of capital leases principal is 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.</p>		
		334,040.97
<p>In the statement of activities, postemployment benefits other than pension that are unpaid or unfunded are accrued while an employee is employed by the School District. In the governmental funds, postemployment benefits other than pension are recorded as expenditures when the benefits are paid to the retirees.</p>		
		(196,000.00)
<p>The loss on disposal of capital assets is reported as an expense in the statement of activities, but is not reported as an expenditure in the governmental funds.</p>		
		(28,207.37)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		2,677,888.30
<p>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.</p>		
		45,362.34
<p>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.</p>		
		(1,394,377.99)
<p>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.</p>		
		<u>250,913.50</u>
Change in Net Position of Governmental Activities	\$	<u>(412,051.30)</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Net Position
As of June 30, 2017

Business Type Activities - Enterprise Funds

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 610,716.03
Intergovernmental Accounts Receivable:	
State	3,514.08
Federal	183,845.22
Other Accounts Receivable	44,731.10
Inventories	<u>36,385.42</u>
Total Current Assets	<u>879,191.85</u>
Capital Assets (Net of Accumulated Depreciation)	<u>340,490.00</u>
Total Assets	<u>1,219,681.85</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	89,994.50
Unearned Revenue	
Prepaid Meals	20,366.11
Food Distribution Program Inventory	<u>19,560.44</u>
Total Liabilities	<u>129,921.05</u>
NET POSITION:	
Net Investment in Capital Assets	340,490.00
Unrestricted	<u>749,270.80</u>
Total Net Position	<u>\$ 1,089,760.80</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

Business Type Activities - Enterprise Funds

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 588,688.64
Daily Sales - Non- Reimbursable Programs	<u>415,342.19</u>
Total Operating Revenues	<u>1,004,030.83</u>
OPERATING EXPENSES:	
Salaries	912,711.17
General Supplies	107,527.99
Management Fees	119,367.30
Other Purchased Technical Services	10,300.00
Repairs and Maintenance	31,847.10
Cost of Sales - Reimbursable Programs	817,370.02
Cost of Sales - Non- Reimbursable Programs	115,377.00
Depreciation	<u>45,673.00</u>
Total Operating Expenses	<u>2,160,173.58</u>
Operating Loss	<u>(1,156,142.75)</u>
NON-OPERATING REVENUES (EXPENSES):	
Loss on Disposal of Capital Assets	(286.00)
State Sources:	
State School Lunch Program	19,804.70
Federal Sources:	
National School Lunch Program	779,716.03
National School Breakfast Program	184,146.16
National School Milk Program	4,160.18
Food Distribution Program	<u>175,035.71</u>
Total Non-operating Revenue (Expenses)	<u>1,162,576.78</u>
Change in Net Position	6,434.03
Net Position - Beginning	<u>1,083,326.77</u>
Net Position - Ending	<u><u>\$ 1,089,760.80</u></u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
PROPRIETARY FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

Business Type Activities - Enterprise Funds

	<u>Food Service</u>
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Receipts from Customers	\$ 992,414.43
Payments to Employees	(912,711.17)
Payments to Suppliers	<u>(1,257,376.52)</u>
Net Cash Used In Operating Activities	<u>(1,177,673.26)</u>
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES :	
Capital Acquisitions	<u>(17,289.00)</u>
CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:	
State Sources	19,471.43
Federal Sources	<u>1,123,732.31</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,143,203.74</u>
Net Increase in Cash and Cash Equivalents	(51,758.52)
Cash and Cash Equivalents -- July 1	<u>662,474.55</u>
Cash and Equivalents -- June 30	<u>\$ 610,716.03</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (1,156,142.75)
Adjustments to Reconcile Operating Loss to Cash Used in Operating Activities:	
Depreciation	45,673.00
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(6,407.89)
(Increase) Decrease in Inventory	(8,505.14)
Increase (Decrease) in Unearned Revenue	(5,208.51)
Increase (Decrease) in Accounts Payable	<u>(47,081.97)</u>
Net Cash Used for Operating Activities	<u>\$ (1,177,673.26)</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Fiduciary Net Position
As of June 30, 2017

	Private-Purpose Trust Funds		Agency Funds	
	Unemployment Compensation Trust	Scholarship	Student Activity	Payroll
ASSETS:				
Cash and Cash Equivalents	\$ 327,575.99	\$127,750.97	\$504,192.71	\$331,732.56
Due from Other Funds		12,519.30		
Total Assets	<u>327,575.99</u>	<u>140,270.27</u>	<u>\$ 504,192.71</u>	<u>\$ 331,732.56</u>
LIABILITIES:				
Due to Other Funds			\$ 22,823.02	\$308,517.84
Payable to State	4,044.67			
Payroll Deductions and Withholdings Payable to Student Groups			481,369.69	23,214.72
Total Liabilities	<u>4,044.67</u>	<u>-</u>	<u>\$ 504,192.71</u>	<u>\$ 331,732.56</u>
Net Position:				
Restricted for:				
Scholarships		140,270.27		
Unemployment Claims and Other Purposes	<u>323,531.32</u>			
Total Net Position	<u>\$ 323,531.32</u>	<u>\$140,270.27</u>		

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Private-Purpose Trust Funds</u>	
	<u>Scholarship</u>	<u>Unemployment Compensation Insurance</u>
ADDITIONS:		
Local Sources:		
Interest on Investments	\$ 870.51	\$ 1,312.99
Donations	17,712.00	
Deductions from Employees' Salaries		72,327.78
Total Additions	<u>18,582.51</u>	<u>73,640.77</u>
DEDUCTIONS:		
Scholarship Payments	20,725.00	
Unemployment Compensation Claims		24,347.32
Total Deductions	<u>20,725.00</u>	<u>24,347.32</u>
Change in Net Position	(2,142.49)	49,293.45
Net Position, July 1	<u>142,412.76</u>	<u>274,237.87</u>
Net Position, June 30	<u>\$ 140,270.27</u>	<u>\$ 323,531.32</u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Monroe School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades kindergarten through high school at the School District's six schools. The School District has an approximate enrollment at June 30, 2017 of 6,014.

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 the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the School District has no component units.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Government-wide and Fund Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Gloucester County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It 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 non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which 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.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which are specifically 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries, benefits, administrative expenses, and claims paid. All items not meeting this definition are reported as non-operating revenues and expenses.

The School District reports the following major proprietary fund:

Enterprise Funds

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund 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 a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

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

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships for future teachers, which are awarded in accordance with the trust requirements.

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (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.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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:23A-16.2(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:23A-13.3.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

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 payments for budgetary purposes only, and the special revenue fund. 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, school 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. 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 budgetary basis. The budgetary basis differs from GAAP in that the 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.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule 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 balances - 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 the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, 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. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 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"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017. The School District had no prepaid expenses for the fiscal year ended June 30, 2017.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after Total Assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after Total Liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

In addition, the School District reports the following as deferred outflows of resources:

Deferred Loss on Defeasance - The loss on defeasance arising from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2017, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is 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 School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures is recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

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, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, 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. Bonds are recognized as a liability on the governmental fund financial statements when due.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System ("PERS") and additions to/deductions from PERS'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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

Net position represents the difference between the 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 component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - 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 - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance 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. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, 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) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by the Board of Education.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

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 statements.

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 assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2017:

Statement No. 77, Tax Abatement Disclosures. This Statement provides financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The adoption of this Statement required the School District to disclose certain information related to tax abatement programs (see note 21).

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The adoption of this Statement had no impact on the basic financial statements of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued and Adopted Accounting Pronouncements (Cont'd)**

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this Statement did not have a significant impact on the basic financial statements of the School District.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements that will become effective for the School District for the fiscal year ending June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has determined that this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2017, the School District's bank balances of \$18,793,400.74 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 250,000.00
Insured by GUDPA	17,352,578.60
Uninsured and uncollateralized	<u>1,190,822.14</u>
	<u>\$ 18,793,400.74</u>

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2017, the School District's deposits with the New Jersey Cash Management Fund were \$831,847.82.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District during the fiscal year ended June 30, 1995 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 fiscal 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 by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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	\$ 1,752,950.00
Increased by:	
Deposits:	
Surplus Capital Project Funds	6,753.54
Interest Earned on Capital Reserve Funds	77.10
Transfer per Board Resolution	<u>863,518.63</u>
	<u>2,623,299.27</u>
Decreased by:	
Transfer to Capital Projects	<u>1,570,000.00</u>
Ending Balance June 30, 2017	<u><u>\$ 1,053,299.27</u></u>

The June 30, 2017 LRFP balance of local support costs of uncompleted projects at June 30, 2017 is \$13,577,396.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Note 4: ACCOUNTS RECEIVABLE (CONT'D)

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General <u>Fund</u>	Special Revenue <u>Fund</u>	Capital Projects <u>Fund</u>	Proprietary <u>Fund</u>	<u>Total</u>
Intergovernmental:					
Federal	\$ 19,884.88	\$ 752,125.00		\$ 183,845.22	\$ 955,855.10
State	687,127.68		\$ 37,956.42	3,514.08	728,598.18
Local Tuition	209,669.96				209,669.96
Other Receivables		1,690.74			
Due from Fiduciary Funds	318,821.56				318,821.56
Food Service				44,731.10	44,731.10
	<hr/>				
Total	\$ 1,235,504.08	\$ 753,815.74	\$ 37,956.42	\$ 232,090.40	\$ 2,257,675.90

Note 5: INVENTORY

There was no inventory in the General Fund at June 30, 2017.

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food and Supplies	<u>\$ 36,385.42</u>
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Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Governmental Activities:					
Land	\$ 2,264,917.00				\$ 2,264,917.00
Construction in Progress	3,058,464.26	\$ 463,500.35	\$(583,193.46)		2,938,771.15
Total Capital Assets not being Depreciated	5,323,381.26	463,500.35	(583,193.46)	\$ -	5,203,688.15
Building and Improvements	119,948,099.21	87,093.67	86,219.00		120,121,411.88
Equipment	4,871,850.93	187,513.48	496,974.46	237,039.00	5,319,299.87
Total Capital Assets being Depreciated	124,819,950.14	274,607.15	583,193.46	237,039.00	125,440,711.75
Total Assets	130,143,331.40	738,107.50	-	237,039.00	130,644,399.90
Less Accumulated Depreciation:					
Building and Improvements	39,563,399.55	3,041,008.81			42,604,408.36
Equipment	2,780,585.26	299,574.33		208,831.63	2,871,327.96
Total Accumulated Depreciation	42,343,984.81	3,340,583.14	-	208,831.63	45,475,736.32
Governmental Activities Capital Assets, Net	\$ 87,799,346.59	\$ (2,602,475.64)	\$ -	\$ 28,207.37	\$ 85,168,663.58
Business-Type Activities:					
Equipment	\$ 754,146.00	\$ 17,289.00		\$ 2,910.00	\$ 768,525.00
Less Accumulated Depreciation:	384,986.00	45,673.00		2,624.00	428,035.00
Business-Type Activities Capital Assets, Net	\$ 369,160.00	\$ (28,384.00)	\$ -	\$ 286.00	\$ 340,490.00

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Instruction	\$ 1,588,542.16
Other Instruction	65,276.84
Support Services	711,422.51
School Administration	177,340.68
General and Business Administrative Services	306,271.75
Plant Operations and Maintenance	458,959.20
Unallocated	<u>32,770.00</u>
Total Depreciation Expense	<u>\$ 3,340,583.14</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations:

Governmental Activities:	Principal Outstanding			Principal Outstanding Due Within	
	June 30, 2016	Additions	Reductions	June 30, 2017	One Year
Bonds & Loans	\$49,278,000.00		\$ (2,610,000.00)	\$ 46,668,000.00	\$ 2,815,000.00
Premium on Bonds	3,908,745.53		(275,239.47)	3,633,506.06	
PERS Deferral	117,388.50		(11,769.00)	105,619.50	13,131.00
OPEB	4,405,000.00	\$ 865,000.00	(669,000.00)	4,601,000.00	
Net Pension Liability	16,085,534.00	8,335,250.00	(3,031,764.00)	21,389,020.00	
Obligations under Capital					
Leases	387,623.97	149,334.98	(322,271.97)	214,686.98	123,738.99
Compensated Absences	4,262,730.98	37,725.09	(288,638.60)	4,011,817.47	159,809.50
Governmental Activity					
Long-term Liabilities	<u>\$ 78,445,022.98</u>	<u>\$ 9,387,310.07</u>	<u>\$ (7,208,683.04)</u>	<u>\$ 80,623,650.01</u>	<u>\$ 3,111,679.49</u>

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

On November 15, 1993, the School District issued \$15,998,000.00 in general obligation bonds at 5.2% interest for the new high school. The final maturity of the bonds is 2018.

On March 23, 2007, the School District issued an additional \$43,639,000.00 in general obligation bonds for various school construction additions. The bonds carried interest rates ranging from 4.125% to 4.50% and originally matured in 2032. The School District partially refunded these bonds with the 2014 refunding bonds discussed below. The remaining 2007 bonds matured in 2016.

On May 5, 2010, the School District issued \$11,995,000.00 in general obligation bonds to advance refund \$12,127,000.00 of the \$13,812,000.00 outstanding 2002 bonds. The bonds carry interest rates ranging from 2.00% to 5.00% and mature in 2032.

Note 7: LONG-TERM LIABILITIES (CONT'D)**Bonds Payable (Cont'd)**

On June 27, 2014, the School District issued \$40,420,000.00 in general obligation bonds to advance refund \$41,129,000.00 of the \$42,169,000.00 outstanding 2007 bonds. The bonds carry interest rates ranging from 1.00% to 5.00% and mature in 2032. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,296,551.00. This difference, reported in the accompanying government-wide financial statements as a deferred outflow of resources, is being charged to interest expense over the life of the refunding bonds. The advance refunding was undertaken to reduce total debt payments over the next 10 years by \$2,931,243.00 and to obtain a present value economic gain of \$2,254,883.00. The bonds will be paid from property taxes.

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

Fiscal Year				
Ending June 30	Principal	Interest	Total	
2018	\$ 2,815,000.00	\$ 2,000,814.76	\$ 4,815,814.76	
2019	3,003,000.00	1,874,304.26	4,877,304.26	
2020	2,880,000.00	1,755,406.26	4,635,406.26	
2021	3,070,000.00	1,634,481.26	4,704,481.26	
2022	3,255,000.00	1,500,181.26	4,755,181.26	
2023-2027	13,570,000.00	5,426,406.30	18,996,406.30	
2028-2032	18,075,000.00	2,133,662.52	20,208,662.52	
	<u>\$ 46,668,000.00</u>	<u>\$ 16,325,256.62</u>	<u>\$ 62,993,256.62</u>	

Bonds Authorized But Not Issued - As of June 30, 2017, the School District had no authorizations to issue additional bonded debt.

Capital Leases Payable - The School District is leasing computer equipment totaling \$1,266,748.56 under capital leases. The capital leases are for terms of 3 to 4 years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2017.

Fiscal Year				
Ending June 30	Principal	Interest	Total	
2018	\$ 123,738.99	\$ 11,860.38	\$ 135,599.37	
2019	53,811.58	4,793.03	58,604.61	
2020	37,136.41	1,896.10	39,032.51	
	<u>\$ 214,686.98</u>	<u>\$ 18,549.51</u>	<u>\$ 233,236.49</u>	

The capital leases will be paid from property taxes.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 15 for a description of the School District's policy.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability are required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment is only an option for the 2008-09 fiscal year. Commencing in fiscal year 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

On April 2, 2009 the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$162,225.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

Principal and interest due on the outstanding pension deferral is as follows:

<u>Fiscal Year</u>	<u>Deferral</u>		<u>Total</u>
<u>Ending June 30</u>	<u>Payment</u>	<u>Interest</u>	<u>Projected</u>
			<u>Payments</u>
2018	\$ 13,131.00	\$ 10,509.84	\$ 23,640.84
2019	11,561.00	9,203.22	20,764.22
2020	11,561.00	8,052.82	19,613.82
2021	11,561.00	6,902.43	18,463.43
2022	11,561.00	5,752.03	17,313.03
2023-2026	46,244.50	11,504.16	57,748.66
	<u>\$ 105,619.50</u>	<u>\$ 51,924.50</u>	<u>\$ 157,544.00</u>

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

OPEB Liability- For details on the OPEB liability, refer to note 11. The School District's annual required contribution to the plan is budgeted and paid from the general fund on an annual basis.

Note 8: OPERATING LEASES

At June 30, 2017, the School District had operating lease agreements in effect for copy machines and mail machines and support services. The future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year</u>	
<u>Ending June 30</u>	<u>Amount</u>
2018	\$ 875,092.87
2019	389,237.69
2020	150,489.18
	<u>\$ 1,414,819.74</u>

Rental payments under operating leases for the fiscal year ended June 30, 2017 were \$1,041,530.84.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Teachers' Pension and Annuity Fund - 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:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 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 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.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The 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 the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy 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 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and 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.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 7.78% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$2,637,677.00 and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$2,486,500.96.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. 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 seven years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 13.78% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$641,578.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$344,631.03.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2017, employee contributions totaled \$60,024.84, and the School District recognized pension expense, which equaled the required contributions, of \$39,109.53. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	260,543,383.00
	<u>\$260,543,383.00</u>

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. For the June 30, 2016 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2016, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2016 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .3312004775%, which was an increase of .0030195891% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$19,576,210.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System - At June 30, 2017, the School District reported a liability of \$21,389,020.00 for its proportionate share of the net pension liability. 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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the School District's proportion was .0722184056%, which was an increase of .0005615241% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$2,122,908.00, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 397,771.00	\$ -
Changes of Assumptions	4,430,663.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	815,583.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	309,665.00	-
School District Contributions Subsequent to the Measurement Date	657,862.00	-
	<u>\$ 6,611,544.00</u>	<u>\$ -</u>

\$657,862.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense on the following page.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Year Ending June 30,		
2018	\$	1,351,551
2019		1,351,551
2020		1,553,000
2021		1,292,515
2022		405,065
		<u>\$ 5,953,682.00</u>

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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.08%
Salary Increases:		
2012-2021	Varies Based on Experience	
Through 2026		1.65% - 4.15% Based on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

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

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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 rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on 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 scale. 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).

For TPAF and PERS, 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 asset class included in TPAF's and PERS's target asset allocation as of June 30, 2016 are summarized in the table on the following page.

Note 9: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%	Cash	5.00%	0.87%
U.S. Government Bonds	1.50%	1.28%	U.S. Treasuries	1.50%	1.74%
U.S. Credit Bonds	13.00%	2.76%	Investment Grade Credit	8.00%	1.79%
U.S. Mortgages	2.00%	2.38%	Mortgages	2.00%	1.67%
U.S. Inflation-Indexed Bonds	1.50%	1.41%	High Yield Bonds	2.00%	4.56%
U.S. High Yield Bonds	2.00%	4.70%	Inflation-Indexed Bonds	1.50%	3.44%
U.S. Equity Market	26.00%	5.14%	Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	5.91%	Developed Foreign Equities	13.25%	6.83%
Emerging Markets Equity	6.50%	8.16%	Emerging Market Equities	6.50%	9.95%
Private Real Estate Property	5.25%	3.64%	Private Equity	9.00%	12.40%
Timber	1.00%	3.86%	Hedge Funds / Absolute Return	12.50%	4.68%
Farmland	1.00%	4.39%	Real Estate (Property)	2.00%	6.91%
Private Equity	9.00%	8.97%	Commodities	0.50%	5.45%
Commodities	0.50%	2.87%	Global Debt ex U.S.	5.00%	-0.25%
Hedge Funds - MultiStrategy	5.00%	3.70%	REIT	5.25%	5.63%
Hedge Funds - Equity Hedge	3.75%	4.72%			
Hedge Funds - Distressed	3.75%	3.49%			
	<u>100.00%</u>			<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2016 were 3.22% and 3.98% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS 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. 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 for TPAF and 2034 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 for TPAF and 2034 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 3.22%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	311,147,024.00	260,543,383.00	219,218,979.00
	<u>\$311,147,024.00</u>	<u>\$260,543,383.00</u>	<u>\$219,218,979.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a 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% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
School District's Proportionate Share of the Net Pension Liability	\$ 26,209,748.00	\$ 21,389,020.00	\$ 17,409,092.00

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS's respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions.

Note 10: SCHOOL EMPLOYEES HEALTH BENEFITS PROGRAM

P.L. 1987, c.384 of 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 postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving postemployment 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 premiums 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 free health benefits to members of PERS and the Alternate Benefit Program who retire 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 the SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**Plan Description**

The School District provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The plan was closed as of June 30, 2010 and is no longer available to employees who retire after June 30, 2010, except as noted in the following paragraphs. The plan requires that the coverage must never decrease from that which was available as of June 30, 2010. Because the level of benefits cannot decrease, it is estimated that the District may have to pay "Cadillac" excise taxes because the benefits are higher than the thresholds allowed in the Federal Affordable Care Act. While the coverage cannot decrease, the insurance carrier is allowed to change to the School District's current insurance carrier. The plan is administered by the School District; therefore, premium payments are made directly to the insurance carriers. The School District's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population:

Administrators retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable, for life. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any administrator who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for three administrators who were grandfathered, and two administrators who will be eligible to receive dental benefits.

Secretaries retiring after twenty-five (25) years of service with the School District will have health, prescription drug and dental benefits provided for both the retiree and spouse, where applicable. Upon the death of retiree, coverage does not continue for the surviving spouse. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2010, any secretary who retires on or after July 1, 2010 will not be eligible to receive medical, prescription drug, and dental benefits from the School District except for two secretaries who were grandfathered.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Plan Description (Cont'd)**

Teachers retiring after twenty-five (25) years of service with the School District will have prescription drug and dental benefits provided for both the retiree and spouse, where applicable, until the retiree attains age 65 upon which they enter the New Jersey School Employees Health Benefits Program. If a spouse predeceases the retiree, the benefit will continue for the retiree only and cannot be expanded for any change in marital status. Effective July 1, 2009, any teacher who retires on or after July 1, 2009 will not be eligible to receive prescription drug and dental benefits from the School District.

Full-time paraprofessionals are not eligible for postretirement welfare benefits from the School District.

No benefits are payable upon pre-retirement death or disability if the employee has less than 25 years of service. As of June 30, 2017, there were 66 retirees and surviving spouses and 3 active employees who qualify for benefits. 50 of the retirees have dependents who qualified for additional benefits.

Funding Policy

The contribution requirement of the School District is established by the policy of the School District and certain employment contracts and may be amended by same. The required contribution is based on projected pay-as-you-go financing requirements. Plan members are not required to make any contributions to the plan. The School District's contributions to the plan for the fiscal years ended June 30, 2017, 2016, and 2015 were \$669,000.00, \$669,000.00, and \$812,000.00, respectively.

In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the School District is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The current ARC was determined to be \$949,000.00 at an unfunded discount rate of 4.5%. As stated above, the School District has funded the cost of existing retirees in the amount of \$669,000.00, and has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost and Net OPEB Obligation

For the year ended June 30, 2017, the School District's annual OPEB cost (expense) of \$865,000.00 for the plan was equal to the ARC plus certain adjustments for interest and because the School District's actual contributions in prior years differed from the ARC.

The School District's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for fiscal years 2017, 2016, and 2015 are as follows in the table on the following page.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Annual OPEB Cost and Net OPEB Obligation (Cont'd)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Normal cost without interest	\$ 51,000.00	\$ 51,000.00	\$ 51,000.00
Amortization payment	898,000.00	898,000.00	898,000.00
Annual required contribution (ARC)	949,000.00	949,000.00	949,000.00
Interest on Net OPEB Obligation	186,000.00	186,000.00	186,000.00
Adjustments to the Annual Required Contribution	(270,000.00)	(270,000.00)	(254,000.00)
Annual OPEB Cost	865,000.00	865,000.00	881,000.00
Pay-as-You-Go Cost	(669,000.00)	(669,000.00)	(812,000.00)
Increase (Decrease) in the Net OPEB Obligation	196,000.00	196,000.00	69,000.00
Net OPEB obligation, July 1	4,405,000.00	4,209,000.00	4,140,000.00
Net OPEB obligation, June 30	\$ 4,601,000.00	\$ 4,405,000.00	\$ 4,209,000.00
Percentage of Annual OPEB Cost Contributed	77%	77%	92%

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2017, was as follows:

Actuarial Accrued Liability (AAL)	\$ 14,518,000.00
Adjustments to the Actuarial Accrued Liability	766,000.00
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 15,284,000.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 383,000.00
UAAL as a Percentage of Covered Payroll	3990.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Methods and Assumptions**

The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The remaining amortization period at June 30, 2017, was twenty-one years. The actuarial assumptions included the following:

- *Mortality.* Sex-distinct RP 2006 (Headcount-Weighted) Mortality Tables for Employees and, Healthy Annuitants, projected with Scale MP-2015 on a generational basis
- *Turnover.* 100% of future retirees will participate in the retiree medical plan upon retirement
- *Assumed Retirement Age.* 15% retiring at age 55 gradually increasing to 50% at age 65 and 100% by the age of 71
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Medical Trend.* 6% in 2015, reducing by .1% per annum, leveling at 5% per annum in 2025
- *Medical Trend.* 11% in 2015, reducing by .5% per annum, until 2021 and then reducing by 1% per annum leveling at 5% per annum in 2024
- *Dental Trend.* 4% per annum

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, post-retirement medical costs, and non-contributory insurance related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$3,635,692.00, \$131,730.00, \$3,139,119.00, and \$10,301.00, respectively.

Note 13: 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.

Note 13: RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd) - 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 expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u>	<u>Employee</u>	<u>Interest</u>	<u>Amount</u>	<u>Ending</u>
<u>Ending June 30</u>	<u>Contributions</u>	<u>Earnings</u>	<u>Reimbursed</u>	<u>Balance</u>
2017	\$ 72,327.78	\$ 1,312.99	\$ 24,347.32	\$ 323,531.32
2016	70,600.90	1,195.51	62,473.56	274,237.87
2015	70,530.85	1,054.50	4,562.57	264,915.02

Joint Insurance Pool - The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

Note 14: DEFERRED COMPENSATION

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators include as follows:

***Washington
Prudential
Equitable
Travelers***

Note 15: 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 who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to three personal days which may be carried forward as sick days to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

Note 15: COMPENSATED ABSENCES (CONT'D)

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, the estimated liability for compensated absences in the governmental activities was \$4,011,817.47.

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 318,821.56	
Fiduciary	12,519.30	\$ 331,340.86
	<u>\$ 331,340.86</u>	<u>\$ 331,340.86</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2018, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	Transfer In:					
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	<u>Fiduciary Fund</u>
Transfer Out:						
General	\$ (1,563,246.46)	\$ 1,563,246.46	\$ -	\$ -	\$ -	\$ -
	<u>\$ (1,563,246.46)</u>	<u>\$ 1,563,246.46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This transfer is the result of a board approved action that permits Capital Projects to be funded from Capital Reserve accounts. See Note 3 for additional information.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2017 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
WMS Roof Repairs	7/28/2016	\$ 11,095.37
WHS Window Replacement	5/4/2017	734,938.32
Total		<u>\$ 746,033.69</u>

Note 20: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund –

For Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$8,688,511.00. Of this, \$6,005,099.00 of excess fund balance, which was generated during 2015-2016, has been restricted and designated for utilization in the 2017-2018 budget.

For Capital Reserve Account – As of June 30, 2017, the balance in the capital reserve account is \$1,053,297.73. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund –

For Capital Projects - As of June 30, 2017, the restricted fund balance in the capital projects fund was \$1,938,174.74. This balance is a result of a transfer from capital reserve fund balance for the purchase of a new administration building and a window and door project.

Special Revenue Fund –

For Special Revenue – of June 30, 2017, \$440,267.45 of special revenue fund balance was restricted.

Note 20: FUND BALANCES (CONT'D)**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund –

Other Purposes – As of June 30, 2017, the School District had \$53,785.63 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2017, \$1,728,350.30 of general fund balance was unassigned.

Note 21: TAX ABATEMENTS

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

The Township of Monroe has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$9,420,000.00. Based on the School District's 2017 certified tax rate of \$1.977, abated taxes totaled \$182,674.80.

Note 22: MANAGEMENT'S EVALUATION OF SUBSEQUENT EVENTS

The School District has evaluated subsequent events through November 21, 2017, the date upon which the financial statements were available for issuance.

During October 2017, the School District became aware of an air quality issue at Holly Glen Elementary and White Hall Elementary, which resulted in their closure. The estimated costs to remediate this issue is unknown at this time, but it is believed to be material.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 48,518,982.00		\$ 48,518,982.00	\$ 48,518,982.00	
Tuition	534,459.00		534,459.00	671,550.34	\$ 137,091.34
Transportation Fees from Other LEA's	54,500.00		54,500.00		(54,500.00)
Miscellaneous	196,223.00		196,223.00	748,829.54	552,606.54
Interest Earned on Capital Reserve Funds	100.00		100.00	77.10	(22.90)
Total - Local Sources	49,304,264.00	\$ -	49,304,264.00	49,939,438.98	635,174.98
State Sources:					
Equalization Aid	29,970,215.00		29,970,215.00	29,970,215.00	
Categorical Special Education Aid	3,393,886.00		3,393,886.00	3,393,886.00	
Categorical Security Aid	664,750.00		664,750.00	664,750.00	
Extraordinary Aid	198,450.00		198,450.00	405,250.00	206,800.00
Categorical Transportation Aid	493,145.00		493,145.00	493,145.00	
Under Adequacy Aid	138,556.00		138,556.00	138,556.00	
PARCC Readiness Aid	59,305.00		59,305.00	59,305.00	
Per Pupil Growth Aid	59,305.00		59,305.00	59,305.00	
Prof Learning Community Aid	59,800.00		59,800.00	59,800.00	
Other Restricted Undist				37,109.00	37,109.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted):					
Normal Cost and Non-Contributory Insurance				3,635,692.00	3,635,692.00
Post-Retirement Medical				3,139,119.00	3,139,119.00
Long-Term Disability Insurance				10,301.00	10,301.00
Non-Contributory Group Insurance Costs				131,730.00	131,730.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,463,670.23	2,463,670.23
Total - State Sources	35,037,412.00	-	35,037,412.00	44,661,833.23	9,624,421.23
Federal Sources:					
Special Education Medicaid Initiative--Settlement--ARRA				17,669.74	17,669.74
Special Education Medicaid Initiative	181,524.00		181,524.00	414,213.47	232,689.47
Total - Federal Sources	181,524.00	-	181,524.00	431,883.21	250,359.21
Total Revenues	84,523,200.00	-	84,523,200.00	95,033,155.42	10,509,955.42

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES:					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 696,641.99	\$ (3,505.19)	\$ 693,136.80	\$ 648,240.19	\$ 44,896.61
Grades 1-5	7,156,748.59	(93,125.94)	7,063,622.65	6,798,538.91	265,083.74
Grades 6-8	5,383,025.86	2,310.68	5,385,336.54	5,267,389.30	117,947.24
Grades 9-12	7,010,942.14	(4,721.03)	7,006,221.11	6,794,060.35	212,160.76
Regular Programs - Home Instruction:					
Salaries of Teachers	110,000.00		110,000.00	67,963.50	42,036.50
Purchased Professional/Educational Services	125,000.00		125,000.00	63,071.58	61,928.42
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	199,215.39	6,414.22	205,629.61	161,347.85	44,281.76
Purchased Professional/Educational Services	19,100.00	590.00	19,690.00	19,690.00	
Purchased Technical Services	241,464.00	26,589.56	268,053.56	250,546.22	17,507.34
Other Purchased Services	1,653,060.79	(228,857.56)	1,424,203.23	1,410,945.34	13,257.89
General Supplies	622,107.63	134,436.68	756,544.31	731,367.16	25,177.15
Textbooks	75,350.32	(14,923.50)	60,426.82	55,424.60	5,002.22
Other Objects	10,144.00	(3,223.00)	6,921.00	4,753.02	2,167.98
Total Regular Programs	23,302,800.71	(178,015.08)	23,124,785.63	22,273,338.02	851,447.61
Learning and/or Language Disabilities:					
Salaries of Teachers	588,789.56	(106,497.49)	482,292.07	481,772.78	519.29
Other Salaries for Instruction	164,981.07	689.97	165,671.04	148,488.43	17,182.61
General Supplies	8,271.12	(705.00)	7,566.12	7,051.78	514.34
Total Learning and/or Language Disabilities:	762,041.75	(106,512.52)	655,529.23	637,312.99	18,216.24
Behavioral Disabilities:					
Salaries of Teachers	310,927.50	(50,646.48)	260,281.02	259,806.21	474.81
Other Salaries for Instruction	98,103.05	4,273.46	102,376.51	88,689.43	13,687.08
General Supplies	500.00		500.00	492.35	7.65
Other Objects	500.00	1,100.00	1,600.00	1,100.00	500.00
Total Behavioral Disabilities	410,030.55	(45,273.02)	364,757.53	350,087.99	14,669.54

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 411,023.87	\$ 171,674.02	\$ 582,697.89	\$ 572,158.56	\$ 10,539.33
Other Salaries for Instruction	323,532.08	50,693.86	374,225.94	364,513.56	9,712.38
General Supplies	9,740.00	(1,133.40)	8,606.60	8,469.20	137.40
Total Multiple Disabilities	744,295.95	221,234.48	965,530.43	945,141.32	20,389.11
Resource Room/Resource Center:					
Salaries of Teachers	4,636,233.00	107,625.63	4,743,858.63	4,689,817.13	54,041.50
Other Salaries for Instruction	552,748.00	(86,497.45)	466,250.55	451,102.55	15,148.00
Purchased Technical Services	1,015.00	(1,015.00)			
General Supplies	31,113.30	2,811.75	33,925.05	31,169.56	2,755.49
Textbooks	5,247.75	(2,796.75)	2,451.00	1,130.80	1,320.20
Total Resource Room/Resource Center	5,226,357.05	20,128.18	5,246,485.23	5,173,220.04	73,265.19
Autism:					
Salaries of Teachers	551,695.00	(153,598.68)	398,096.32	397,291.51	804.81
Other Salaries for Instruction	275,891.58	22,132.94	298,024.52	282,086.22	15,938.30
General Supplies	17,854.42		17,854.42	16,412.70	1,441.72
Total Autism	845,441.00	(131,465.74)	713,975.26	695,790.43	18,184.83
Preschool Disabilities - Part-Time:					
Salaries of Teachers	227,088.75	2,000.00	229,088.75	228,606.60	482.15
Other Salaries for Instruction	138,251.75		138,251.75	110,181.39	28,070.36
General Supplies	1,000.00	1,000.00	2,000.00	379.76	1,620.24
Total Preschool Disabilities - Part-Time	366,340.50	3,000.00	369,340.50	339,167.75	30,172.75

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 112,083.75		\$ 112,083.75	\$ 42,594.87	\$ 69,488.88
Other Salaries for Instruction	64,378.35	\$ (2,475.20)	61,903.15	52,649.95	9,253.20
Total Preschool Disabilities - Full-Time	176,462.10	(2,475.20)	173,986.90	95,244.82	78,742.08
Total Special Education - Instruction	8,530,968.90	(41,363.82)	8,489,605.08	8,235,965.34	253,639.74
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,603,766.07	(151,301.81)	1,452,464.26	1,390,318.35	62,145.91
Bilingual Education - Instruction:					
Salaries of Teachers	116,711.25	54,633.00	171,344.25	170,894.61	449.64
Other Salaries for Instruction		34,446.61	34,446.61	27,609.48	6,837.13
General Supplies	2,465.00	(402.00)	2,063.00	2,048.48	14.52
Textbooks		402.00	402.00	402.00	
Total Bilingual Education - Instruction	119,176.25	89,079.61	208,255.86	200,954.57	7,301.29
School-Sponsored Cocurricular & Extracurricular Activities - Instruction:					
Salaries	285,874.00	4,167.99	290,041.99	277,082.08	12,959.91
Other Purchased Services	19,815.00	6,500.00	26,315.00	20,235.57	6,079.43
Supplies and Materials	51,118.07	(515.00)	50,603.07	41,668.54	8,934.53
Other Objects	37,245.00	2,150.00	39,395.00	33,078.45	6,316.55
Total School-Sponsored Cocurricular & Extracurricular Activities - Instruction	394,052.07	12,302.99	406,355.06	372,064.64	34,290.42
School-Sponsored Athletics - Instruction:					
Salaries	438,284.60	7,976.15	446,260.75	435,728.40	10,532.35
Purchased Services	177,133.16	(25,108.00)	152,025.16	151,039.74	985.42
Supplies and Materials	83,412.33	26,943.00	110,355.33	110,151.83	203.50
Other Objects	59,754.29	(1,835.00)	57,919.29	51,764.91	6,154.38
Total School-Sponsored Athletics - Instruction	758,584.38	7,976.15	766,560.53	748,684.88	17,875.65

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Summer School - Instruction:					
Salaries	\$ 37,844.00	\$ (295.45)	\$ 37,548.55	\$ 32,681.00	\$ 4,867.55
Supplies and Materials	780.00	165.00	945.00	621.00	324.00
Total Summer School - Instruction	38,624.00	(130.45)	38,493.55	33,302.00	5,191.55
Summer School - Support Services:					
Salaries	1,000.00		1,000.00		1,000.00
Supplies and Materials	112.00	1,000.00	1,112.00	194.78	917.22
Other Objects	3,800.00	(1,000.00)	2,800.00	2,100.00	700.00
Total Summer School - Support Services	4,912.00	-	4,912.00	2,294.78	2,617.22
Total Summer School	43,536.00	(130.45)	43,405.55	35,596.78	7,808.77
Instructional/Alternative Education Program - Instruction:					
Salaries of Teachers		22,357.50	22,357.50	22,357.50	
Other Salaries of Instruction		3,012.86	3,012.86	3,003.00	9.86
Purchased Professional & Technical Services	14,000.00		14,000.00	14,000.00	
Total Instructional/Alternative Education Program - Instruction:	14,000.00	25,370.36	39,370.36	39,360.50	9.86
Instructional/Alternative Education Program - Support Services:					
Salaries	6,000.00	-	6,000.00	6,000.00	
Total Instructional/Alternative Education Program:	20,000.00	25,370.36	45,370.36	45,360.50	9.86
Work Study:					
Salaries	51,600.00	(6,201.95)	45,398.05	39,713.91	5,684.14
Total Instruction	34,824,484.38	(242,284.00)	34,582,200.38	33,341,996.99	1,240,203.39

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	\$ 200,716.00	\$ 42,493.05	\$ 243,209.05	\$ 224,318.24	\$ 18,890.81
Tuition to Other LEAs Within the State-Special	147,143.00	80,000.00	227,143.00	226,902.25	240.75
Tuition to County Voc School Dist - Regular	256,500.00	44,000.00	300,500.00	296,752.50	3,747.50
Tuition to County Voc School Dist - Special	15,050.00		15,050.00		15,050.00
Tuition to CSSD & Regional Day Schools	1,399,672.80	(120,525.41)	1,279,147.39	1,216,467.00	62,680.39
Tuition to Private School for the Handicapped-State	2,272,254.65	(30,750.00)	2,241,504.65	1,970,219.58	271,285.07
Tuition to Private School and Other LEAs - Outside State	90,331.20	750.00	91,081.20	91,080.00	1.20
Tuition - State Facilities	146,923.00		146,923.00	146,923.00	
Tuition - Other	294,038.72	(50,000.00)	244,038.72	209,337.00	34,701.72
Total Undistributed Expenditures - Instruction	4,822,629.37	(34,032.36)	4,788,597.01	4,381,999.57	406,597.44
Undistributed Expenditures - Attendance and Social Work:					
Salaries	31,623.81	(562.07)	31,061.74	29,503.09	1,558.65
Undistributed Expenditures - Health Services:					
Salaries	550,794.58	75,362.04	626,156.62	624,758.59	1,398.03
Purchased Professional and Technical Services	540,730.50	(800.00)	539,930.50	250,021.75	289,908.75
Supplies and Materials	17,943.49	280.00	18,223.49	16,419.80	1,803.69
Health / Other		520.00	520.00	505.76	14.24
Total Undistributed Expenditures - Health Services	1,109,468.57	75,362.04	1,184,830.61	891,705.90	293,124.71
Undistributed Expenditures - Other Related Services:					
Salaries	1,017,083.92	79,642.71	1,096,726.63	1,063,718.97	33,007.66
Purchased Professional and Technical Services	29,000.00		29,000.00	18,617.00	10,383.00
Supplies and Materials	19,500.00		19,500.00	18,705.54	794.46
Other Objects	1,350.00		1,350.00	1,060.50	289.50
Total Undistributed Expenditures - Other Related Services	1,066,933.92	79,642.71	1,146,576.63	1,102,102.01	44,474.62

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	\$ 1,174,334.07	\$ 2,765.50	\$ 1,177,099.57	\$ 1,169,201.96	\$ 7,897.61
Salaries of Secretarial and Clerical Assistants	292,082.06	(4,338.87)	287,743.19	284,360.63	3,382.56
Other Salaries	52,492.50	(3,000.00)	49,492.50	47,091.00	2,401.50
Purchased Professional Educational Services	1,900.00		1,900.00	1,483.25	416.75
Other Purchased Professional and Technical Services	5,490.00	148.60	5,638.60	5,638.60	
Other Purchased Services	250.00	50.00	300.00	300.00	
Supplies and Materials	58,485.82	(2,382.60)	56,103.22	47,191.62	8,911.60
Other Objects	1,859.00	862.00	2,721.00	2,568.52	152.48
Total Undistributed Expenditures - Guidance	1,586,893.45	(5,895.37)	1,580,998.08	1,557,835.58	23,162.50
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	1,218,611.24	(1,205.01)	1,217,406.23	1,146,003.00	71,403.23
Salaries of Secretarial and Clerical Assistants	253,677.80	(7,361.46)	246,316.34	234,070.24	12,246.10
Other Salaries	130,194.90		130,194.90	111,384.03	18,810.87
Purchased Professional Educational Services	49,000.00		49,000.00	47,369.91	1,630.09
Other Purchased Professional & Technical Services	41,047.00	(800.00)	40,247.00	30,581.99	9,665.01
Supplies and Materials	30,700.00	8,930.00	39,630.00	25,623.16	14,006.84
Other Objects	20,140.00	770.00	20,910.00	9,510.16	11,399.84
Total Undistributed Expenditures - Child Study Team	1,743,370.94	333.53	1,743,704.47	1,604,542.49	139,161.98
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	593,039.42		593,039.42	593,039.34	0.08
Salaries of Secretarial and Clerical Assistants	38,198.67	0.10	38,198.77	38,198.77	
Other Salaries for Instruction	84,960.00	(39,552.00)	45,408.00	45,408.00	
Purchased Professional Educational Services	1,066,700.21	188,024.00	1,254,724.21	1,254,147.20	577.01
Total Undistributed Expenditures - Improvement of Instructional Services	1,782,898.30	148,472.10	1,931,370.40	1,930,793.31	577.09

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Educational Media/Library Services:					
Salaries	\$ 1,201,734.91	\$ 40,061.96	\$ 1,241,796.87	\$ 1,220,938.20	\$ 20,858.67
Salaries of Tech Coordinators	384,743.87	35,756.34	420,500.21	416,853.61	3,646.60
Purchased Professional & Technical Services	50,819.00	(271.90)	50,547.10	45,150.91	5,396.19
Supplies and Materials	94,501.00	(548.00)	93,953.00	90,520.69	3,432.31
Total Undistributed Expenditures - Educational Media/Library Services	1,731,798.78	74,998.40	1,806,797.18	1,773,463.41	33,333.77
Undistributed Expenditures - Instructional Staff Training Services					
Other Salaries	79,300.00		79,300.00	36,806.00	42,494.00
Purchased Professional Educational Services	50,000.00		50,000.00	26,319.10	23,680.90
Other Purchased Professional & Technical Services	165,000.00	185,000.00	350,000.00	340,248.26	9,751.74
Other Purchased Services	5,500.00		5,500.00	2,212.99	3,287.01
Supplies and Materials	602,600.00	(251,996.62)	350,603.38	200,764.35	149,839.03
Other Objects	12,000.00		12,000.00	5,537.00	6,463.00
Total Instructional Staff Training Services	914,400.00	(66,996.62)	847,403.38	611,887.70	235,515.68
Undistributed Expenditures - Support Services - General Admin.:					
Salaries	883,942.38	2,436.65	886,379.03	857,058.74	29,320.29
Legal Services	210,000.00	189,500.00	399,500.00	236,645.88	162,854.12
Audit Fees	68,585.00	(4,000.00)	64,585.00	64,250.00	335.00
Other Purchased Professional Services	71,221.48	13,201.00	84,422.48	82,693.34	1,729.14
Purchased Technical Services	12,234.00	(7,001.00)	5,233.00	5,120.36	112.64
Communications/Telephone	141,930.00	10,545.87	152,475.87	151,977.65	498.22
BOE Other Purchased Services	1,000.00	(500.00)	500.00	400.00	100.00
Other Purchased Services	342,708.00	7,725.00	350,433.00	348,940.33	1,492.67
General Supplies	56,105.00	(23,880.00)	32,225.00	30,720.94	1,504.06
Judgements Against The School District		5,500.00	5,500.00	5,500.00	
Miscellaneous Expenditures	41,277.00	(1,145.00)	40,132.00	38,035.39	2,096.61
BOE Membership Dues and Fees	36,360.00	(8,850.00)	27,510.00	26,725.40	784.60
Total Undistributed Expenditures - Support Services - General Admin.	1,865,362.86	183,532.52	2,048,895.38	1,848,068.03	200,827.35

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Support Services - School Admin.:					
Salaries of Principals/Assistant Principals	\$ 2,162,682.78	\$ (14,918.33)	\$ 2,147,764.45	\$ 2,147,558.07	\$ 206.38
Salaries of Secretarial and Clerical Assistants	1,165,786.55	10,130.58	1,175,917.13	1,173,343.45	2,573.68
Other Salaries	41,600.00		41,600.00	31,866.90	9,733.10
Purchased Professional & Technical Services	24,114.00	(2,000.00)	22,114.00	1,620.00	20,494.00
Other Purchased Services	34,284.50	(1,280.00)	33,004.50	9,578.53	23,425.97
Supplies and Materials	131,630.46	(1,145.24)	130,485.22	110,588.87	19,896.35
Other Objects	42,921.00	(532.64)	42,388.36	28,052.57	14,335.79
Total Undistributed Expenditures - Support Services - School Admin.	3,603,019.29	(9,745.63)	3,593,273.66	3,502,608.39	90,665.27
Undistributed Expenditures - Central Services					
Salaries	674,904.36	(939.13)	673,965.23	673,372.67	592.56
Purchased Professional Services		318.00	318.00	304.00	14.00
Purchased Technical Services	27,500.00	(5,818.00)	21,682.00	19,743.38	1,938.62
Supplies and Materials	25,112.00		25,112.00	19,659.92	5,452.08
Interest on Lease Purchases Agreements	75,677.38		75,677.38	75,677.38	
Miscellaneous Expenditures	1,000.00		1,000.00	26.29	973.71
Total Undistributed Expenditures - Central Services	804,193.74	(6,439.13)	797,754.61	788,783.64	8,970.97
Undistributed Expenditures - Administration Information Technology					
Salaries	231,505.94	1,339.13	232,845.07	230,216.09	2,628.98
Purchased Professional Services	6,000.00	(3,100.00)	2,900.00	2,900.00	
Purchased Professional and Technical Services	206,300.00	110,949.94	317,249.94	315,063.51	2,186.43
Other Purchased Services	2,000.00	(1,824.19)	175.81	45.42	130.39
Supplies and Materials	45,677.69	14,606.00	60,283.69	47,638.59	12,645.10
Other Objects	7,000.00	(3,785.00)	3,215.00	3,115.00	100.00
Total Administration Information Technology	498,483.63	118,185.88	616,669.51	598,978.61	17,690.90

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	\$ 133,619.00	\$ 0.10	\$ 133,619.10	\$ 133,619.10	
Cleaning, Repair, and Maintenance Service	490,420.00	9,868.00	500,288.00	410,822.71	\$ 89,465.29
General Supplies	36,963.00	27,305.00	64,268.00	53,891.82	10,376.18
Total Undistributed Expenditures - Required Maintenance for School Facilities	661,002.00	37,173.10	698,175.10	598,333.63	99,841.47
Undistributed Expenditures - Custodial Services:					
Salaries					
Salaries of Non Instructional Aides	320,765.01	3,433.90	324,198.91	303,940.75	20,258.16
Cleaning, Repair, and Maintenance Service	3,552,226.00	(193,080.00)	3,359,146.00	3,228,240.50	130,905.50
Other Purchased Property Services	400,558.00	122,556.05	523,114.05	511,018.52	12,095.53
Insurance	1,200.00	5.00	1,205.00	1,201.38	3.62
Misc Purchased Services	2,000.00		2,000.00		2,000.00
General Supplies	467,376.49	(25,134.00)	442,242.49	438,494.92	3,747.57
Energy (Natural Gas)	843,000.00	(316,924.00)	526,076.00	465,661.85	60,414.15
Energy (Electricity)	1,848,947.00	148,900.00	1,997,847.00	1,997,228.43	618.57
Energy (Oil)	5,800.00	(1,000.00)	4,800.00	3,407.24	1,392.76
Other Objects	16,915.00	11,175.00	28,090.00	26,286.04	1,803.96
Total Undistributed Expenditures - Custodial Services:	7,458,787.50	(250,068.05)	7,208,719.45	6,975,479.63	233,239.82
Undistributed Expenditures - Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Service	304,210.00	(40,171.05)	264,038.95	249,070.56	14,968.39
General Supplies	77,090.00	(50.00)	77,040.00	69,171.06	7,868.94
Total Undistributed Expenditures - Care and Upkeep of Grounds	381,300.00	(40,221.05)	341,078.95	318,241.62	22,837.33
Undistributed Expenditures - Security					
Other Purchased Services	185,000.00		185,000.00	180,741.29	4,258.71
Cleaning, Repair, and Maintenance Service	108,876.75	23,415.00	132,291.75	113,438.55	18,853.20
General Supplies	42,288.00	(20,139.00)	22,149.00	5,064.04	17,084.96
Total Security	336,164.75	3,276.00	339,440.75	299,243.88	40,196.87

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
General Current Expenses (Cont'd):					
Undistributed Expenditures - Student Transportation:					
Salaries for Pupil Transportation (Other Than Between Home & School)	\$ 225,649.27	\$ (3,434.00)	\$ 222,215.27	\$ 210,185.62	\$ 12,029.65
Purchased Professional & Technical Services	4,390.00	220.00	4,610.00	4,379.50	230.50
Contracted Services (Between Home & School) - Vendors	3,725,278.00	(325,605.69)	3,399,672.31	3,162,826.79	236,845.52
Contracted Services (Other Than Between Home & School) - Vendors	351,227.00		351,227.00	230,396.76	120,830.24
Contracted Services (Home & School) - Joint Agreements	10,000.00	70,697.87	80,697.87	25,269.73	55,428.14
Contracted Services (Special Ed. Students) - Vendors	3,992,625.23	215,000.00	4,207,625.23	3,727,529.94	480,095.29
Contracted Services (Special Ed. Students) - Joint Agreements	6,000.00	39,687.82	45,687.82		45,687.82
Contracted Services - Aid in Lieu Payments - Nonpublic	185,000.00		185,000.00	155,916.12	29,083.88
Contracted Services - Aid in Lieu Payments - Charter	4,420.00		4,420.00		4,420.00
Contracted Services - Aid in Lieu Payments - Choice	22,100.00		22,100.00	18,789.86	3,310.14
Supplies and Materials	4,000.00		4,000.00	3,994.94	5.06
Other Objects	2,600.00		2,600.00	1,026.96	1,573.04
Total Undistributed Expenditures - Student Transportation	8,533,289.50	(3,434.00)	8,529,855.50	7,540,316.22	989,539.28
Undistributed Expenditures - Unallocated Benefits					
Social Security Contributions	782,000.00		782,000.00	749,567.66	32,432.34
Other Retirement Contributions - PERS	654,253.00		654,253.00	644,685.00	9,568.00
Other Retirement Contributions - Deferred PERS Payment	25,241.00		25,241.00	25,174.00	67.00
Other Retirement Contributions - Regular	35,000.00	4,110.00	39,110.00	39,109.53	0.47
Unemployment Compensation	70,000.00		70,000.00		70,000.00
Workman's Compensation	298,813.00		298,813.00	206,651.00	92,162.00
Health Benefits	12,471,074.82	(189,810.00)	12,281,264.82	11,116,337.38	1,164,927.44
Tuition Reimbursement	151,512.00		151,512.00	117,547.46	33,964.54
Other Employee Benefits	1,369,994.47	(204,232.46)	1,165,762.01	1,163,412.44	2,349.57
Unused Sick Payments to Terminated / Retired Staff		289,932.46	289,932.46	288,638.60	1,293.86
Total - Other Support Services	15,857,888.29	(100,000.00)	15,757,888.29	14,351,123.07	1,406,765.22

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
On-behalf TPAF Pension Contributions:					
Normal Cost (non-budgeted)				\$ 3,635,692.00	\$ (3,635,692.00)
Post Retirement Costs (non-budgeted)				3,139,119.00	(3,139,119.00)
Non-Contributory Group Insurance Costs (non-budgeted)				131,730.00	(131,730.00)
Long-Term Disability Insurance (non-budgeted)				10,301.00	(10,301.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,463,670.23	(2,463,670.23)
Total Undistributed Expenditures- Non-budgeted	\$ -	\$ -	\$ -	9,380,512.23	(9,380,512.23)
Total Undistributed Expenditures	54,789,508.70	203,582.00	54,993,090.70	60,085,522.01	(5,092,431.31)
Total General Current Expense	89,613,993.08	(38,702.00)	89,575,291.08	93,427,519.00	(3,852,227.92)
Capital Outlay:					
Equipment:					
School-Sponsored and Other Instructional Programs	2,500.00	1,250.00	3,750.00	2,890.00	860.00
Undistributed:					
Instruction	29,588.00	30,080.00	59,668.00	59,507.00	161.00
Central Services		3,350.00	3,350.00	3,350.00	
Custodial Services		13,297.00	13,297.00	6,154.98	7,142.02
Care and Upkeep of Grounds	6,500.00	(3,350.00)	3,150.00		3,150.00
Required Maintenance for School Facilities	17,865.00	26,745.00	44,610.00	37,365.00	7,245.00
Security	16,717.00		16,717.00	16,717.00	
Total Equipment	73,170.00	71,372.00	144,542.00	125,983.98	18,558.02
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	75,000.00	41,500.00	116,500.00	116,313.11	186.89
Construction Services	341,061.00	(36,722.00)	304,339.00	279,787.06	24,551.94
Land & Improvements	250,000.00	(45,720.00)	204,280.00		204,280.00
Assessment for Debt Service on SDA Funding	219,099.00		219,099.00	219,099.00	
Total Facilities Acquisition and Construction Services	885,160.00	(40,942.00)	844,218.00	615,199.17	229,018.83

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Transfers/ Modifications	Final Budget	Actual	Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Capital Outlay (Cont'd):					
Interest deposit to Capital Reserve	\$ 100.00		\$ 100.00	\$ 77.10	\$ 22.90
Undistributed Expend-Assets Acquired Under Capital Leases (Non-Budgeted)				149,334.98	(149,334.98)
Total Capital Outlay	958,430.00	\$ 30,430.00	988,860.00	890,595.23	98,264.77
Transfer Funds to Charter Schools	73,850.00	8,272.00	82,122.00	59,248.00	22,874.00
Total Expenditures	90,646,273.08	-	90,646,273.08	94,377,362.23	(3,731,089.15)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,123,073.08)	-	(6,123,073.08)	655,793.19	6,778,866.27
Other Financing Sources (Uses):					
Capital Leases (Non-Budgeted)				149,334.98	149,334.98
Transfer from Capital Reserve				(1,570,000.00)	(1,570,000.00)
Transfer from Capital Projects				6,753.54	6,753.54
Total Other Financing Sources (Uses)	-	-	-	(1,413,911.48)	(1,413,911.48)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(6,123,073.08)	-	(6,123,073.08)	(758,118.29)	5,364,954.79
Fund Balances - July 1,	15,603,749.95	-	15,603,749.95	15,603,749.95	-
Fund Balances - June 30, (Carried Forward)	\$ 9,480,676.87	\$ -	\$ 9,480,676.87	\$ 14,845,631.66	\$ 5,364,954.79

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
GENERAL FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Positive (Negative) Final to Actual</u>
Fund Balances - June 30, (Brought Forward)	\$ 9,480,676.87	\$ -	\$ 9,480,676.87	\$ 14,845,631.66	\$ 5,364,954.79
Recapitulation of Fund Balance:					
Restricted Fund Balances:					
Capital Reserve				\$ 1,053,297.73	
Excess Surplus - Designated for Subsequent Year Expenditures				6,005,099.00	
Excess Surplus - Current Year				6,005,099.00	
Assigned Fund Balance:					
Encumbrances				53,785.63	
Unassigned Fund Balance				<u>1,728,350.30</u>	
				14,845,631.66	
Reconciliation to Governmental Funds Statements (GAAP):					
Last FY State Aid Payment not recognized on GAAP basis				<u>(3,321,687.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 11,523,944.66</u>	

TOWNSHIP OF MONROE SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ -	\$ 480,852.59	\$ 480,852.59	\$ 38,550.14	\$ (442,302.45)
Total - Local Sources	-	480,852.59	480,852.59	38,550.14	(442,302.45)
State Sources:					
Compensatory Education	134,261.00	30,566.00	164,827.00	150,315.00	(14,512.00)
Transportation	17,333.00	4,972.00	22,305.00	21,802.00	(503.00)
Nonpublic Textbooks	35,529.00	(7,516.00)	28,013.00	26,303.00	(1,710.00)
Nonpublic Auxiliary	734.00	637.00	1,371.00	1,279.00	(92.00)
Nonpublic Security		24,300.00	24,300.00	23,820.00	(480.00)
Nonpublic Technology		12,636.00	12,636.00	12,536.00	(100.00)
Nonpublic Handicapped Services	152,960.00	54,042.00	207,002.00	187,865.00	(19,137.00)
Nonpublic Nursing Services	49,168.00	(5,428.00)	43,740.00	43,740.00	
Total - State Sources	389,985.00	114,209.00	504,194.00	467,660.00	(36,534.00)
Federal Sources:					
Title I	552,412.00	160,300.00	712,712.00	691,107.00	(21,605.00)
Title II	173,276.00	86,121.00	259,397.00	188,423.00	(70,974.00)
Title III	13,033.00	6,760.00	19,793.00	13,406.00	(6,387.00)
Title III - Immigrant	3,814.00	(2,822.00)	992.00		(992.00)
I.D.E.A.	1,314,352.00	307,821.00	1,622,173.00	1,480,811.00	(141,362.00)
Carl D. Perkins Vocational and Technical Education	27,254.00	5,812.00	33,066.00	33,066.00	
Total - Federal Sources	2,084,141.00	563,992.00	2,648,133.00	2,406,813.00	(241,320.00)
Total Revenues	2,474,126.00	1,159,053.59	3,633,179.59	2,913,023.14	(720,156.45)

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Instruction:					
Salaries	\$ 725,688.00	\$ (75,056.35)	\$ 650,631.65	\$ 636,532.30	\$ 14,099.35
Other Purchased Services		89,468.20	89,468.20	37,517.55	51,950.65
Tuition		420,748.00	420,748.00	434,598.00	(13,850.00)
General Supplies	104,498.00	43,852.34	148,350.34	67,209.51	81,140.83
Textbooks	24,413.00	3,600.00	28,013.00	26,303.00	1,710.00
Misc Expenditures	305,288.00	95,217.00	400,505.00	361,444.70	39,060.30
Total Instruction	1,159,887.00	577,829.19	1,737,716.19	1,563,605.06	174,111.13
Support Services:					
Salaries	1,265,071.00	(700,179.86)	564,891.14	543,934.42	20,956.72
Personnel Services-Employee Benefits		285,770.01	285,770.01	281,195.96	4,574.05
Other Professional Services		437,376.50	437,376.50	334,477.49	102,899.01
Other Purchased Services		351,973.00	351,973.00	47,418.73	304,554.27
General Supplies	10,689.00	160,616.86	171,305.86	74,577.30	96,728.56
Misc Expenditures	38,479.00	16,547.71	55,026.71	44,740.00	10,286.71
Total Support Services	1,314,239.00	552,104.22	1,866,343.22	1,326,343.90	539,999.32
Facilities Acquisition and Construction Services:					
Construction Services		5,899.00	5,899.00		5,899.00
Instructional Equipment		18,131.00	18,131.00	18,131.00	
Non-Instructional Equipment		5,090.18	5,090.18	4,943.18	147.00
Total Support Services	-	29,120.18	29,120.18	23,074.18	6,046.00
Total Expenditures	2,474,126.00	1,159,053.59	3,633,179.59	2,913,023.14	720,156.45
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

TOWNSHIP OF MONROE 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) "revenues" from the budgetary comparison schedules	\$ 95,033,155.42	\$ 2,913,023.14
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis.		(24,909.89)
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		3,478.93
The last two 2015-16 State aid payments were recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.	3,291,397.00	
The last two 2016-17 State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense.	<u>(3,321,687.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 95,002,865.42</u>	<u>\$ 2,891,592.18</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 94,377,362.23	\$ 2,913,023.14
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>3,478.93</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 94,377,362.23</u>	<u>\$ 2,916,502.07</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Four Plan Years

	Measurement Date Ending June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0722184056%	0.0716568815%	0.0707118145%	0.0697338080%
School District's Proportionate Share of the Net Pension Liability	\$ 21,389,020.00	\$ 16,085,534.00	\$ 13,239,186.00	\$ 13,327,516.00
School District's Covered Payroll (Plan Measurement Period)	5,358,980.00	5,282,948.00	5,301,328.00	5,220,680.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	399.12%	304.48%	249.73%	255.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Four Fiscal Years

	<u>Fiscal Year Ended June 30,</u>			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 657,862.00	\$ 641,578.00	\$ 616,057.00	\$ 582,938.00
Contributions in Relation to the Contractually Required Contribution	<u>(657,862.00)</u>	<u>(641,578.00)</u>	<u>(616,057.00)</u>	<u>(582,938.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 4,774,704.00	\$ 4,903,183.00	\$ 4,960,025.00	\$ 4,915,697.00
Contributions as a Percentage of School District's Covered Payroll	13.78%	13.08%	12.42%	11.86%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Four Plan Years

	Measurement Date Ending June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>260,543,383.00</u>	<u>207,424,336.00</u>	<u>176,359,592.00</u>	<u>161,579,903.00</u>
	<u>\$ 260,543,383.00</u>	<u>\$ 207,424,336.00</u>	<u>\$ 176,359,592.00</u>	<u>\$ 161,579,903.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 40,327,848.00	\$ 39,502,564.00	\$ 38,128,396.00	\$ 37,720,504.00
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%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	646.06%	525.09%	462.54%	428.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Funding Progress for the OPEB Plan

<u>Actuarial Valuation</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability - (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/2015	\$ 0	\$14,518,000	\$ 15,284,000	0 %	\$ 383,000	3990.60%
6/30/2014	\$ 0	16,649,000	16,649,000	0 %	372,000	4475.54%
6/30/2011	\$ 0	17,479,000	17,479,000	0 %	743,000	2352.49%

TOWNSHIP OF MONROE SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2017

Note 1: POSTEMPLOYMENT BENEFITS - PENSION**Teachers' Pension and Annuity Fund (TPAF)**

Changes in Benefit Terms – None

Changes in Assumptions - For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms – None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Note 2: OTHER POSTEMPLOYMENT BENEFITS - HEALTH INSURANCE

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent open
Remaining Amortization Period	21 years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Discount Rate	4.50%
Health Care Cost Rates:	
Medical	6.0% grading to 5.0% over 10 years
Prescription Drug	11.0% grading to 5.0% over 9 years
Dental	4.00%

For determining the ARC, the rate of employer contributions to the Authority Plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2017

REVENUES:	
Local Sources	\$ 38,550.14
State Sources	467,660.00
Federal Sources	<u>2,406,813.00</u>
 Total Revenues	 <u><u>\$ 2,913,023.14</u></u>
 EXPENDITURES:	
Instruction:	
Salaries	\$ 636,532.30
Other Professional Services	37,517.55
Tuition	434,598.00
General Supplies	67,209.51
Textbooks	26,303.00
Misc Expenditure	<u>361,444.70</u>
 Total Instruction	 <u>1,563,605.06</u>
 Support Services:	
Salaries	543,934.42
Personnel Services-Employee Benefits	281,195.96
Other Professional Services	334,477.49
Other Purchased Services	47,418.73
General Supplies	74,577.30
Misc Expenditure	<u>44,740.00</u>
 Total Support Services	 <u>1,326,343.90</u>
 Facilities Acquisition and Construction Services:	
Instructional Equipment	18,131.00
Non-Instructional Equipment	<u>4,943.18</u>
 Total Facilities Acquisition and Construction Services	 <u>23,074.18</u>
 Total Expenditures	 <u><u>\$ 2,913,023.14</u></u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	<u>Total</u>	<u>ESEA</u>			<u>Carl D. Perkins Grant</u>	<u>Total Brought Forward</u>
		<u>Title I Part A 2016-2017</u>	<u>Title II Part A 2016-2017</u>	<u>Title III 2016-2017</u>		
REVENUES:						
Local Sources	\$ 38,550.14					\$ 38,550.14
State Sources	467,660.00					467,660.00
Federal Sources	2,406,813.00	\$ 691,107.00	\$ 188,423.00	\$ 13,406.00	\$ 33,066.00	1,480,811.00
Total Revenues	\$ 2,913,023.14	\$ 691,107.00	\$ 188,423.00	\$ 13,406.00	\$ 33,066.00	\$ 1,987,021.14
EXPENDITURES:						
Instruction:						
Salaries	\$ 636,532.30	\$ 537,722.43	\$ 97,645.51			\$ 1,164.36
Other Professional Services	37,517.55	4,891.50	5,144.35		\$ 616.00	26,865.70
Tuition	434,598.00					434,598.00
General Supplies	67,209.51	6,500.29		\$ 1,771.00	9,250.59	49,687.63
Textbooks	26,303.00					26,303.00
Misc Expenditure	361,444.70					361,444.70
Total Instruction	1,563,605.06	549,114.22	102,789.86	1,771.00	9,866.59	900,063.39
Support Services:						
Salaries	543,934.42			4,818.00		539,116.42
Personnel Services-Employee Benefits	281,195.96	137,752.78	27,067.34	368.58		116,007.26
Other Professional Services	334,477.49		55,221.00			279,256.49
Other Purchased Services	47,418.73			6,123.95	8,500.00	32,794.78
General Supplies	74,577.30	4,240.00	3,344.80	324.47	648.41	66,019.62
Misc Expenditure	44,740.00					44,740.00
Total Support Services	1,326,343.90	141,992.78	85,633.14	11,635.00	9,148.41	1,077,934.57
Facilities Acquisition and Construction Services:						
Instructional Equipment	18,131.00				14,051.00	4,080.00
Non-Instructional Equipment	4,943.18					4,943.18
Total Facilities Acquisition and Construction Services	23,074.18	-	-	-	14,051.00	9,023.18
Total Expenditures	\$ 2,913,023.14	\$ 691,107.00	\$ 188,423.00	\$ 13,406.00	\$ 33,066.00	\$ 1,987,021.14

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Total Carried Forward	I.D.E.A.		N.J. Nonpublic Technology	N.J. Nonpublic Nursing	Total Brought Forward
		Basic 2016-2017	Preschool 2016-2017			
REVENUES:						
Local Sources	\$ 38,550.14					\$ 38,550.14
State Sources	467,660.00			\$ 12,536.00	\$ 43,740.00	411,384.00
Federal Sources	1,480,811.00	\$ 1,430,459.00	\$ 50,352.00			
Total Revenues	\$ 1,987,021.14	\$ 1,430,459.00	\$ 50,352.00	\$ 12,536.00	\$ 43,740.00	\$ 449,934.14
EXPENDITURES:						
Instruction:						
Salaries	\$ 1,164.36					\$ 1,164.36
Other Professional Services	26,865.70	\$ 26,865.70				
Tuition	434,598.00	409,598.00	\$ 25,000.00			
General Supplies	49,687.63	24,074.30	13,077.33	\$ 12,536.00		
Textbooks	26,303.00					26,303.00
Misc Expenditure	361,444.70		183.70			361,261.00
Total Instruction	900,063.39	460,538.00	38,261.03	12,536.00	\$ -	388,728.36
Support Services:						
Salaries	539,116.42	539,116.42				
Personnel Services-Employee Benefits	116,007.26	116,007.26				
Other Professional Services	279,256.49	272,440.24	6,716.25			100.00
Other Purchased Services	32,794.78	6,437.72	341.96			26,015.10
General Supplies	66,019.62	31,839.36	5,032.76			29,147.50
Misc Expenditure	44,740.00				43,740.00	1,000.00
Total Support Services	1,077,934.57	965,841.00	12,090.97	-	43,740.00	56,262.60
Facilities Acquisition and Construction Services:						
Instructional Equipment	4,080.00	4,080.00				
Non-Instructional Equipment	4,943.18					4,943.18
Total Facilities Acquisition and Construction Services	9,023.18	4,080.00	-	-	-	4,943.18
Total Expenditures	\$ 1,987,021.14	\$ 1,430,459.00	\$ 50,352.00	\$ 12,536.00	\$ 43,740.00	\$ 449,934.14

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Total Carried Forward	N.J. Nonpublic Security	N.J. Nonpublic Textbook Aid, Ch. 194, L. 1979	N.J. Nonpublic Auxiliary Services, Ch. 192, L.1977			Total Brought Forward
				Compensatory Education	ESL	Transportation	
REVENUES:							
Local Sources	\$ 38,550.14						\$ 38,550.14
State Sources	411,384.00	\$ 23,820.00	\$ 26,303.00	\$ 150,315.00	\$ 1,279.00	\$ 21,802.00	187,865.00
Federal Sources							
Total Revenues	\$ 449,934.14	\$ 23,820.00	\$ 26,303.00	\$ 150,315.00	\$ 1,279.00	\$ 21,802.00	\$ 226,415.14
EXPENDITURES:							
Instruction:							
Salaries	\$ 1,164.36						\$ 1,164.36
Other Professional Services							
Tuition							
General Supplies							
Textbooks	26,303.00		\$ 26,303.00				
Misc Expenditure	361,261.00			\$ 150,315.00	\$ 1,279.00	\$ 21,802.00	187,865.00
Total Instruction	388,728.36	\$ -	26,303.00	150,315.00	1,279.00	21,802.00	189,029.36
Support Services:							
Salaries							
Personnel Services-Employee Benefits							
Other Professional Services	100.00						100.00
Other Purchased Services	26,015.10						26,015.10
General Supplies	29,147.50	23,820.00					5,327.50
Misc Expenditure	1,000.00						1,000.00
Total Support Services	56,262.60	23,820.00	-	-	-	-	32,442.60
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non-Instructional Equipment	4,943.18						4,943.18
Total Facilities Acquisition and Construction Services	4,943.18	-	-	-	-	-	4,943.18
Total Expenditures	\$ 449,934.14	\$ 23,820.00	\$ 26,303.00	\$ 150,315.00	\$ 1,279.00	\$ 21,802.00	\$ 226,415.14

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures -- Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Total Carried Forward	N.J. Handicapped Services, Ch. 193, L.1977			Local Sources & Grants
		Corrective Speech	Examination and Classification	Supplemental Instruction	
REVENUES:					
Local Sources	\$ 38,550.14				\$ 38,550.14
State Sources	187,865.00	\$ 69,001.00	\$ 66,838.00	\$ 52,026.00	
Federal Sources					
Total Revenues	\$ 226,415.14	\$ 69,001.00	\$ 66,838.00	\$ 52,026.00	\$ 38,550.14
EXPENDITURES:					
Instruction:					
Salaries	\$ 1,164.36				\$ 1,164.36
Other Professional Services					
Tuition					
General Supplies					
Textbooks					
Misc Expenditure	187,865.00	\$ 69,001.00	\$ 66,838.00	\$ 52,026.00	
Total Instruction	189,029.36	69,001.00	66,838.00	52,026.00	1,164.36
Support Services:					
Salaries					
Personnel Services-Employee Benefits					
Other Professional Services	100.00				100.00
Other Purchased Services	26,015.10				26,015.10
General Supplies	5,327.50				5,327.50
Misc Expenditure	1,000.00				1,000.00
Total Support Services	32,442.60	-	-	-	32,442.60
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-Instructional Equipment	4,943.18				4,943.18
Total Facilities Acquisition and Construction Services	4,943.18	-	-	-	4,943.18
Total Expenditures	\$ 226,415.14	\$ 69,001.00	\$ 66,838.00	\$ 52,026.00	\$ 38,550.14

CAPITAL PROJECTS FUND

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2017

Project Title	Original Date	Appropriation	Expenditures to Date		Total Expenditures	Unexpended Balance June 30, 2017
			Prior Years	Current Year		
(a) Acquisition and Renovation of an Administration Building	06/27/13	\$ 2,570,000.00	\$ 938,494.04	\$ 61,505.96	\$ 1,000,000.00	\$ 1,570,000.00
(b) Oak Knoll Unit Ventilator Replacement	11/28/14	583,193.46	563,394.37	19,799.09	583,193.46	
(c) High School Window Replacement	11/04/16	852,333.00		69,781.68	69,781.68	782,551.32
		<u>\$ 4,005,526.46</u>	<u>\$ 1,501,888.41</u>	<u>\$ 151,086.73</u>	<u>\$ 1,652,975.14</u>	<u>\$ 2,352,551.32</u>

RECONCILIATION TO GOVERNMENTAL FUNDS STATEMENTS (GAAP):

Unexpended Balance as of June 30, 2017	\$ 2,352,551.32
SDA Grant Revenue Not Recognized on GAAP Basis	<u>(414,376.58)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,938,174.74</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2017

REVENUES AND OTHER FINANCING SOURCES:

Transfer from Capital Reserve	\$ 1,570,000.00	
State Sources--SDA Grant	452,333.00	
Total Expenditures		\$ 2,022,333.00

EXPENDITURES AND OTHER FINANCING USES:

Purchased Professional and Technical Services	97,294.06	
Purchased Property and Construction Services	46,212.77	
Supplies and Material	1,155.00	
Acquisition of Property	6,424.90	
Cancellation of Accounts Receivable	8,054.00	
Return of Funds to Capital Reserve	6,753.54	
Total Expenditures		165,894.27
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,856,438.73
Fund Balance -- July 1		496,112.59
Fund Balance -- June 30		\$ 2,352,551.32

RECONCILIATION TO GOVERNMENTAL FUNDS STATEMENTS (GAAP):

Unexpended Balance as of June 30, 2017	\$ 2,352,551.32	
SDA Grant Revenue Not Recognized on GAAP Basis	(414,376.58)	
Fund Balance per Governmental Funds (GAAP)		\$ 1,938,174.74

TOWNSHIP OF MONROE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Acquisition and Renovation of an Administration Building
From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ 1,000,000.00	\$ 1,570,000.00	\$ 2,570,000.00	\$ 2,570,000.00
Total Revenues	1,000,000.00	1,570,000.00	2,570,000.00	2,570,000.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	46,469.37	49,774.06	96,243.43	202,823.43
Purchased Property and Construction Services	246,260.51	4,152.00	250,412.51	1,713,832.51
Supplies and Material	83.38	1,155.00	1,238.38	1,238.38
Acquisition of Property	645,680.78	6,424.90	652,105.68	652,105.68
Total Expenditures	938,494.04	61,505.96	1,000,000.00	2,570,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 61,505.96	\$ 1,508,494.04	\$ 1,570,000.00	\$ -

ADDITIONAL PROJECT INFORMATION:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,000,000.00
Additional Authorized Cost	1,570,000.00
Revised Authorized Cost	2,570,000.00
Estimated Completion Date	6/30/2019
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	38.91%

TOWNSHIP OF MONROE SCHOOL DISTRICT**CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status

Oak Knoll Unit Ventilator Replacement

From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ 250,000.00	\$ (6,753.54)	\$ 243,246.46	\$ 243,246.46
Transfer from Capital Outlay	22,730.00		22,730.00	22,730.00
State Sources	325,271.00	(8,054.00)	317,217.00	317,217.00
Total Revenues	598,001.00	(14,807.54)	583,193.46	583,193.46
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	8,375.00		8,375.00	8,375.00
Purchased Property and Construction Services	555,019.37	19,799.09	574,818.46	574,818.46
Total Expenditures	563,394.37	19,799.09	583,193.46	583,193.46
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 34,606.63	\$ (34,606.63)	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION:

Project Number	3280-090-13-1006
Grant Date	11/28/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 598,001.00
Reduction in Authorized Cost	(14,807.54)
Revised Authorized Cost	583,193.46
Estimated Completion Date	12/31/2016
Percentage Decrease over Original Authorized Cost	-2.4762%
Percentage Completion	100.00%

TOWNSHIP OF MONROE SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Schedule of Project Revenues, Expenditures, Project Balance and Project Status

High School Window Replacement

From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from Capital Reserve	\$ 400,000.00		\$ 400,000.00	\$ 400,000.00
State Sources		\$ 452,333.00	452,333.00	452,333.00
			<hr/>	
Total Revenues	400,000.00	452,333.00	852,333.00	852,333.00
			<hr/>	
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services		47,520.00	47,520.00	72,000.00
Purchased Property and Construction Services		22,261.68	22,261.68	780,333.00
			<hr/>	
Total Expenditures	-	69,781.68	69,781.68	852,333.00
			<hr/>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 400,000.00	\$ 382,551.32	\$ 782,551.32	\$ -
			<hr/> <hr/>	
Encumbered			\$ 734,938.32	
Designated for Subsequent Years Expenditures			47,613.00	
			<hr/>	
			\$ 782,551.32	
			<hr/> <hr/>	

ADDITIONAL PROJECT INFORMATION:

Project Number	3280-050-14-1014
Grant Date	10/4/2016
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 852,333.00
Additional Authorized Cost	-
Revised Authorized Cost	852,333.00
Estimated Completion Date	6/30/2018
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	8.19%

PROPRIETARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Statement of Net Position
As of June 30, 2017

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 610,716.03
Intergovernmental Accounts Receivable:	
State	3,514.08
Federal	183,845.22
Other Accounts Receivable	44,731.10
Inventories	<u>36,385.42</u>
Total Current Assets	<u>879,191.85</u>
Capital Assets (Net of Accumulated Depreciation)	<u>340,490.00</u>
Total Assets	<u>1,219,681.85</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	89,994.50
Unearned Revenue	
Prepaid Meals	20,366.11
Food Distribution Program Inventory	<u>19,560.44</u>
Total Liabilities	<u>129,921.05</u>
NET POSITION:	
Net Investment in Capital Assets	340,490.00
Unrestricted	<u>749,270.80</u>
Total Net Position	<u>\$ 1,089,760.80</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 588,688.64
Daily Sales - Non- Reimbursable Programs	<u>415,342.19</u>
Total Operating Revenues	<u>1,004,030.83</u>
OPERATING EXPENSES:	
Salaries	912,711.17
General Supplies	107,527.99
Management Fees	119,367.30
Other Purchased Technical Services	10,300.00
Repairs and Maintenance	31,847.10
Cost of Sales - Reimbursable Programs	817,370.02
Cost of Sales - Non- Reimbursable Programs	115,377.00
Depreciation	<u>45,673.00</u>
Total Operating Expenses	<u>2,160,173.58</u>
Operating Loss	<u>(1,156,142.75)</u>
NON-OPERATING REVENUES (EXPENSES):	
Loss on Disposal of Capital Assets	(286.00)
State Sources:	
State School Lunch Program	19,804.70
Federal Sources:	
National School Lunch Program	779,716.03
National School Breakfast Program	184,146.16
National School Milk Program	4,160.18
Food Distribution Program	<u>175,035.71</u>
Total Non-operating Revenue (Expenses)	<u>1,162,576.78</u>
Change in Net Position	6,434.03
Net Position - Beginning	<u>1,083,326.77</u>
Net Position - Ending	<u><u>\$ 1,089,760.80</u></u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
ENTERPRISE FUNDS
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:	
Receipts from Customers	\$ 992,414.43
Payments to Employees	(912,711.17)
Payments to Suppliers	<u>(1,257,376.52)</u>
Net Cash Used in Operating Activities	<u>(1,177,673.26)</u>
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES :	
Capital Acquisitions	<u>(17,289.00)</u>
CASH FLOWS PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:	
State Sources	19,471.43
Federal Sources	<u>1,123,732.31</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,143,203.74</u>
Net Increase in Cash and Cash Equivalents	(51,758.52)
Cash and Cash Equivalents -- July 1	<u>662,474.55</u>
Cash and Equivalents -- June 30	<u>\$ 610,716.03</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (1,156,142.75)
Adjustments to Reconcile Operating Loss to Cash Used in Operating Activities:	
Depreciation	45,673.00
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(6,407.89)
(Increase) Decrease in Inventory	(8,505.14)
Increase (Decrease) in Unearned Revenue	(5,208.51)
Increase (Decrease) in Accounts Payable	<u>(47,081.97)</u>
Net Cash Used for Operating Activities	<u>\$ (1,177,673.26)</u>

FIDUCIARY FUNDS

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 As of June 30, 2017

	Private Purpose Trust Funds		Agency Funds		Total
	Unemployment Trust	Scholarship	Student Activity	Payroll	
ASSETS:					
Cash and Cash Equivalents	\$ 327,575.99	\$127,750.97	\$ 504,192.71	\$ 331,732.56	\$ 1,291,252.23
Due from Other Funds		12,519.30			12,519.30
Total Assets	327,575.99	140,270.27	504,192.71	331,732.56	1,303,771.53
LIABILITIES:					
Due to Other Funds			\$ 22,823.02	\$308,517.84	331,340.86
Payable to State	4,044.67				4,044.67
Payroll Deductions and Withholdings Payable to Student Groups				23,214.72	23,214.72
			481,369.69		481,369.69
Total Liabilities	4,044.67	-	504,192.71	331,732.56	839,969.94
NET POSITION:					
Restricted for:					
Scholarships		140,270.27			140,270.27
Unemployment Claims and Other Purposes	323,531.32				323,531.32
Total Net Position	\$ 323,531.32	\$ 140,270.27			\$ 463,801.59

TOWNSHIP OF MONROE SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Private-Purpose Trust Funds</u>		
	<u>Scholarship</u>	<u>Unemployment Compensation Insurance</u>	<u>Total</u>
ADDITIONS:			
Local Sources:			
Interest on Investments	\$ 870.51	\$ 1,312.99	\$ 2,183.50
Donations	17,712.00		17,712.00
Deductions from Employees' Salaries		72,327.78	72,327.78
Total Additions	<u>18,582.51</u>	<u>73,640.77</u>	<u>92,223.28</u>
DEDUCTIONS:			
Scholarship Payments	20,725.00		20,725.00
Unemployment Compensation Claims		24,347.32	24,347.32
Total Deductions	<u>20,725.00</u>	<u>24,347.32</u>	<u>45,072.32</u>
Change in Net Position	(2,142.49)	49,293.45	47,150.96
Net Position - Beginning	<u>142,412.76</u>	<u>274,237.87</u>	<u>416,650.63</u>
Net Position - Ending	<u>\$ 140,270.27</u>	<u>\$ 323,531.32</u>	<u>\$ 463,801.59</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2017</u>
Holly Glen	\$ 5,186.64	\$ 956.54	\$ 2,325.45	\$ 3,817.73
Radix	5,054.64	4,771.80	4,887.31	4,939.13
Oak Knoll	1,300.01			1,300.01
Whitehall	6,309.23	24,633.96	20,557.17	10,386.02
Williamstown Middle School	169,339.69	290,782.09	264,152.09	195,969.69
Williamstown High School	192,798.04	979,417.18	924,582.85	247,632.37
Due to Scholarship Account	13,442.11	19,802.19	20,725.00	12,519.30
Athletic Account	52,129.89	83,458.49	107,959.92	27,628.46
	<u>\$ 445,560.25</u>	<u>\$ 1,403,822.25</u>	<u>\$ 1,345,189.79</u>	<u>\$ 504,192.71</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2017

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 590,176.17	\$ 49,338,236.10	\$ 49,596,679.71	\$ 331,732.56
Due from State	83,646.69		83,646.69	
Cash and Cash Equivalents	<u>\$ 673,822.86</u>	<u>\$ 49,338,236.10</u>	<u>\$ 49,680,326.40</u>	<u>\$ 331,732.56</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 403,402.46	\$ 22,349,984.98	\$ 22,730,172.72	\$ 23,214.72
Due to Other Funds	270,420.40	53,099.29	15,001.85	308,517.84
Net Payroll		26,935,151.83	26,935,151.83	
Total Liabilities	<u>\$ 673,822.86</u>	<u>\$ 49,338,236.10</u>	<u>\$ 49,680,326.40</u>	<u>\$ 331,732.56</u>

LONG-TERM DEBT

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Serial Bonds and Loans Payable
For the Fiscal Year Ended June 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2016</u>	<u>Decreased</u>	<u>Balance June 30, 2017</u>
Construction of New High School	11/15/93	\$ 15,998,000.00	08/01/17	\$ 875,000.00	5.20%			
			08/01/18	898,000.00	5.20%			
				<u>1,773,000.00</u>		\$ 2,648,000.00	\$ 875,000.00	\$ 1,773,000.00
Refunding Bonds, Series 2010	05/12/10	11,995,000.00	03/01/18	1,125,000.00	4.25%			
			03/01/19	1,135,000.00	5.00%			
			03/01/20	1,145,000.00	4.50%			
			03/01/21	1,150,000.00	5.00%			
			03/01/22	1,185,000.00	5.00%			
				<u>5,740,000.00</u>		6,840,000.00	1,100,000.00	5,740,000.00
Refunding Bonds, Series 2014	06/27/14	40,420,000.00	03/01/18	815,000.00	4.00%			
			03/01/19	970,000.00	4.00%			
			03/01/20	1,735,000.00	4.00%			
			03/01/21	1,920,000.00	4.00%			
			03/01/22	2,070,000.00	5.00%			
			03/01/23	2,350,000.00	5.00%			
			03/01/24	2,505,000.00	5.00%			
			03/01/25	2,700,000.00	5.00%			
			03/01/26	2,900,000.00	5.00%			
			03/01/27	3,115,000.00	5.00%			
			03/01/28	3,340,000.00	3.00%			
			03/01/29	3,505,000.00	3.13%			
			03/01/30	3,525,000.00	4.00%			
			03/01/31	3,740,000.00	4.00%			
03/01/32	3,965,000.00	4.00%						
	<u>39,155,000.00</u>		39,790,000.00	635,000.00	39,155,000.00			
			<u>\$ 49,278,000.00</u>	<u>\$ 2,610,000.00</u>	46,668,000.00			
				Add: Premium	<u>3,633,506.06</u>			
					<u>\$ 50,301,506.06</u>			

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2017

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate</u> <u>Payable</u>	<u>Amount</u> <u>Outstanding</u> <u>June 30, 2016</u>	<u>Additions</u> <u>Current Year</u>	<u>Reductions</u> <u>Current Year</u>	<u>Amount</u> <u>Outstanding</u> <u>June 30, 2017</u>
			<u>Principal</u>	<u>Interest</u>					
Eplus	4/14/2014	4 Years	\$ 759,560.35	\$ 39,807.99	5.45%	\$ 192,422.08		\$ 192,422.08	
Eplus	8/4/2014	4 Years	275,861.29	24,954.22	5.79%	141,276.83		68,600.39	\$ 72,676.44
Eplus	3/1/2016	3.5 Years	81,991.94	4,791.43	5.76%	53,925.06		17,999.45	35,925.61
Eplus	9/1/2016	3 Years	149,334.98	11,012.56	4.99%		\$ 149,334.98	43,250.05	106,084.93
						<u>\$ 387,623.97</u>	<u>\$ 149,334.98</u>	<u>\$ 322,271.97</u>	<u>\$ 214,686.98</u>

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Budgetary Comparison Schedule
 DEBT SERVICE FUND
 For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Transfers/ Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,623,595.00		\$ 3,623,595.00	\$ 3,623,595.00	
State Sources:					
Debt Service Aid Type II	1,089,312.00		1,089,312.00	1,089,312.00	
Total Revenues	4,712,907.00	\$ -	4,712,907.00	4,712,907.00	\$ -
EXPENDITURES:					
Regular Debt Service:					
Interest	2,109,364.49		2,109,364.49	2,109,364.49	
Redemption of Principal	2,610,000.00		2,610,000.00	2,610,000.00	
Total Regular Debt Service	4,719,364.49	-	4,719,364.49	4,719,364.49	-
Total Expenditures	4,719,364.49	-	4,719,364.49	4,719,364.49	-
Excess (Deficiency) of Revenues Over Expenditures	(6,457.49)		(6,457.49)	(6,457.49)	
Fund Balance July 1, 2016	6,457.49	-	6,457.49	6,457.49	-
Fund Balance June 30, 2017	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014*</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 37,426,921	\$ 37,206,779	\$ 36,393,841	\$ 36,126,214	\$ 35,522,429	\$ 34,928,301	\$ 33,586,840	\$ 32,052,982	\$ 22,859,005	\$ 31,997,727
Restricted	12,120,251	11,408,085	10,476,503	10,455,009	11,220,190	8,280,620	8,502,897	6,400,976	2,113,885	1,593,775
Unrestricted (Deficit)	(23,054,088)	(21,709,729)	(21,054,373)	(19,395,050)	(7,428,501)	(6,288,319)	(9,515,280)	(10,043,591)	1,854,868	(2,717,481)
Total Governmental Activities Net Position	\$ 26,493,084	\$ 26,905,135	\$ 25,815,971	\$ 27,186,173	\$ 39,314,117	\$ 36,920,602	\$ 32,574,457	\$ 28,410,367	\$ 26,827,758	\$ 30,874,022
Business-type Activities:										
Net Investment in Capital Assets	\$ 340,490	\$ 369,160	\$ 351,415	\$ 260,729	\$ 290,374	\$ 317,865	\$ 255,545	\$ 284,243	\$ 138,157	\$ 138,157
Unrestricted	749,271	714,167	651,767	579,526	354,786	343,739	335,977	280,432	294,097	335,430
Total Business-type Activities Net Position	\$ 1,089,761	\$ 1,083,327	\$ 1,003,182	\$ 840,255	\$ 645,160	\$ 661,604	\$ 591,522	\$ 564,675	\$ 432,254	\$ 473,587
District-wide:										
Net Investment in Capital Assets	\$ 37,767,411	\$ 37,575,939	\$ 36,745,256	\$ 36,386,943	\$ 35,812,803	\$ 35,246,166	\$ 33,842,385	\$ 32,337,225	\$ 22,997,162	\$ 32,135,884
Restricted	12,120,251	11,408,085	10,476,503	10,455,009	11,220,190	8,280,620	8,502,897	6,400,976	2,113,885	1,593,775
Unrestricted (Deficit)	(22,304,817)	(20,995,562)	(20,402,606)	(18,815,524)	(7,073,715)	(5,944,580)	(9,179,303)	(9,763,159)	2,148,965	(2,382,050)
Total District-wide Net Position	\$ 27,582,845	\$ 27,988,462	\$ 26,819,154	\$ 28,026,428	\$ 39,959,277	\$ 37,582,206	\$ 33,165,979	\$ 28,975,042	\$ 27,260,012	\$ 31,347,609

* Amounts for the years 2017, 2016, 2015 and 2014 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Source: District Records (Exhibit A-1)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 24,557,377	\$ 25,367,796	\$ 24,776,151	\$ 23,514,183	\$ 23,096,243	\$ 22,623,828	\$ 22,834,580	\$ 24,185,844	\$ 23,684,838	\$ 23,789,884
Special Education	8,587,459	8,191,887	8,130,175	7,784,489	7,359,155	7,319,381	6,688,837	6,491,757	7,071,804	6,604,007
Other Special Instruction	1,659,185	1,581,892	1,701,233	1,692,065	1,616,900	1,617,349	126,907	124,038	96,779	127,193
Vocational				1,161	99,880	83,503	71,921	51,373	35,875	66,190
Other Instruction	1,301,933	1,228,483	1,255,832	1,206,403	1,066,166	1,002,703	1,707,506	1,475,145	1,979,439	1,520,893
Support Services:										
Student and Instruction Related Services	15,863,223	14,080,081	14,993,395	14,675,080	13,321,294	11,541,560	10,698,606	10,220,473	9,982,333	9,649,091
School Administrative Services	3,884,764	3,847,739	3,826,290	3,263,911	3,164,330	3,111,907	2,983,636	3,080,612	3,405,484	3,155,515
General and Business Administrative Services	3,637,512	3,237,534	2,986,247	3,015,318	2,812,590	2,830,610	2,529,713	2,456,035	2,321,711	2,472,561
Plant Operations and Maintenance	8,618,819	8,472,030	8,043,389	7,825,281	7,668,365	7,859,435	8,025,792	7,977,816	7,694,982	7,133,599
Pupil Transportation	7,540,316	7,093,824	6,797,967	5,953,489	5,413,803	5,010,697	5,436,657	5,526,479	5,417,884	5,439,734
Unallocated Benefits	41,037,739	32,440,764	27,835,461	18,794,650	18,871,589	17,282,059	16,537,269	17,297,252	16,639,661	14,737,600
Transfer to Charter Schools	59,248	66,029	40,286	44,825	34,400	22,495				
Amortization of Debt Issue Costs						16,199	16,199	2,319	2,319	2,319
Capital Outlay Expensed				1,134,480				80,936	2,003,522	
Interest Expense	2,077,407	2,147,416	2,283,071	1,923,222	2,561,990	2,662,704	2,613,224	2,769,025	3,564,543	2,329,942
Unallocated Depreciation	32,770	29,857	27,293	3,069,886	3,067,967	3,052,166	2,993,292	1,608,783	2,035,612	1,912,966
Total Governmental Activities Expenses	118,857,752	107,785,333	102,696,789	93,898,444	90,154,672	86,036,596	83,264,139	83,347,887	85,936,786	78,941,494
Business-type Activities:										
Food Service	2,160,174	2,254,068	2,204,598	2,054,740	2,182,029	2,189,284	2,104,658	2,119,545	2,079,704	2,311,067
Other					221,481	218,613	237,050	220,949	220,544	245,665
Total Business-type Activities Expense	2,160,174	2,254,068	2,204,598	2,054,740	2,403,510	2,407,897	2,341,708	2,340,493	2,300,248	2,556,733
Total District Expenses	\$ 121,017,926	\$ 110,039,401	\$ 104,901,387	\$ 95,953,185	\$ 92,558,182	\$ 88,444,493	\$ 85,605,847	\$ 85,688,381	\$ 88,237,034	\$ 81,498,227

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction: Tuition	\$ 671,550	\$ 319,193	\$ 361,395	\$ 437,996	\$ 493,982	\$ 440,587	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298
Operating Grants and Contributions	28,558,207	22,007,382	8,022,652	7,854,734	7,847,525	6,573,587	6,597,101	8,611,555	9,579,948	10,850,064
Capital Grants and Contributions	81,525	195,567	12,611	7,181	9,006	18,527	45,323			9,022
Total Governmental Activities Program Revenues	<u>29,311,282</u>	<u>22,522,141</u>	<u>8,396,657</u>	<u>8,299,911</u>	<u>8,350,513</u>	<u>7,032,701</u>	<u>7,166,725</u>	<u>8,981,901</u>	<u>9,855,321</u>	<u>10,980,385</u>
Business-type activities:										
Charges for services										
Food Service	1,004,031	1,153,905	1,153,566	1,230,850	1,185,759	1,316,040	1,313,400	1,318,729	1,332,495	1,371,604
Other					221,481	218,613	237,050	220,949	287,497	291,660
Operating Grants and Contributions	1,162,863	1,182,139	1,111,961	1,018,985	980,123	943,327	823,107	934,939	798,064	745,051
Total Business-type Activities Program Revenues	<u>2,166,894</u>	<u>2,336,044</u>	<u>2,265,527</u>	<u>2,249,835</u>	<u>2,387,364</u>	<u>2,477,980</u>	<u>2,373,557</u>	<u>2,474,617</u>	<u>2,418,057</u>	<u>2,408,315</u>
Total District Program Revenues	<u>\$ 31,478,176</u>	<u>\$ 24,858,185</u>	<u>\$ 10,662,184</u>	<u>\$ 10,549,746</u>	<u>\$ 10,737,877</u>	<u>\$ 9,510,681</u>	<u>\$ 9,540,282</u>	<u>\$ 11,456,518</u>	<u>\$ 12,273,378</u>	<u>\$ 13,388,700</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (89,546,470)	\$ (85,263,192)	\$ (94,300,132)	\$ (85,598,534)	\$ (81,804,159)	\$ (79,003,895)	\$ (76,097,414)	\$ (74,365,986)	\$ (76,081,465)	\$ (67,961,109)
Business-type Activities	6,720	81,976	60,929	195,095	(16,146)	70,083	31,849	134,123	117,809	(148,417)
Total District-wide Net Expense	<u>\$ (89,539,750)</u>	<u>\$ (85,181,216)</u>	<u>\$ (94,239,203)</u>	<u>\$ (85,403,439)</u>	<u>\$ (81,820,305)</u>	<u>\$ (78,933,812)</u>	<u>\$ (76,065,565)</u>	<u>\$ (74,231,863)</u>	<u>\$ (75,963,656)</u>	<u>\$ (68,109,527)</u>

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 52,142,577	\$ 50,593,181	\$ 48,608,013	\$ 47,828,524	\$ 46,167,090	\$ 46,167,090	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596
Unrestricted Grants and Contributions	36,257,502	35,462,742	45,946,889	38,080,791	36,882,482	36,882,482	34,843,390	34,295,635	31,429,531	26,487,778
Investment Earnings	94,281	89,998	85,641	85,822	64,961	64,961	48,913	105,442	788,385	1,820,498
Miscellaneous Income	668,266	274,407	42,647	372,577	253,600	253,600	100,401	219,243	941,689	131,050
Miscellaneous Expenses				(224,688)			(16,903)			
Loss on Disposal of Capital Assets	(28,207)	(67,972)	(1,846,037)	(18,131)	(18,093)	(18,093)	(65,988)	(98,497)		(368,199)
Cancellation of Accounts Receivable/Duplicate Payables				(22,810)			(16,140)	(716,558)	(1,669)	(687,632)
Transfers								(57,502)	113,342	(194,896)
Total Governmental Activities	89,134,419	86,352,356	92,837,153	86,102,084	83,350,040	83,350,040	80,261,504	75,948,595	72,035,201	65,953,195
Business-type Activities:										
Investment Earnings									1,381	4,264
Cancellation of Accounts Receivable/Duplicate Payables								(1,266)		
Loss on Disposal of Capital Assets	(286)	(1,831)					(5,002)	(436)	(160,524)	147,643
Transfers										
Total Business-type Activities	(286)	(1,831)	-	-	-	-	(5,002)	(1,702)	(159,142)	151,906
Total District-wide	\$ 89,134,133	\$ 86,350,525	\$ 92,837,153	\$ 86,102,084	\$ 83,350,040	\$ 83,350,040	\$ 80,256,502	\$ 75,946,893	\$ 71,876,058	\$ 66,105,101
Change in Net Position:										
Governmental Activities	\$ (412,051)	\$ 1,089,165	\$ (1,462,979)	\$ 503,550	\$ 1,545,881	\$ 4,346,145	\$ 4,164,090	\$ 1,582,610	\$ (4,046,264)	\$ (2,007,914)
Business-type Activities	6,434	80,145	60,929	195,095	(16,146)	70,083	26,847	132,421	(41,333)	3,489
Total District	\$ (405,617)	\$ 1,169,309	\$ (1,402,050)	\$ 698,645	\$ 1,529,735	\$ 4,416,228	\$ 4,190,937	\$ 1,715,031	\$ (4,087,598)	\$ (2,004,425)

* Amounts for the years 2017, 2016 and 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Source: District Records (Exhibit A-2)

TOWNSHIP OF MONROE SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:										
Restricted:										
Capital Reserve Account	\$ 1,053,298	\$ 1,752,950	\$ 1,250,550	\$ 550	\$ 550	\$ 500,400	\$ 594,046	\$ 20,375	\$ 20,375	\$ 20,375
Excess Surplus	8,688,511	8,715,241	8,082,886	8,480,560	7,913,796	5,532,084	5,801,016	3,410,057	1,477,459	1,234,289
Assigned:										
Other Purposes	53,786	118,104	128,308	717,769	2,014,292	1,877,333	971,837			
Subsequent Year's Expenditure		97,254	90,324			830,818	541,553	1,173,670.20	616,050.70	117,773.17
Unassigned (Deficit)	1,728,350	1,628,804	1,673,832	1,689,013	1,559,233	1,499,026	(1,404,538)	(1,021,361)	(1,704,253)	330,777
Total General Fund	\$ 11,523,945	\$ 12,312,353	\$ 11,225,899	\$ 10,887,892	\$ 11,487,872	\$ 10,239,661	\$ 6,503,914	\$ 3,582,741	\$ 409,632	\$ 1,703,214
All Other Governmental Funds:										
Restricted:										
Capital Projects Fund	\$ 1,938,175	\$ 468,260	\$ 476,704	\$ 856,759	\$ 1,000,000	\$ 95,780	\$ 939,417	\$ 1,796,874	\$ 11,141,484	\$ 32,846,842
Special Revenue Fund	440,267	465,177	441,274	398,821	346,589	275,023	196,581	212,067	218,308	67,109
Debt Service Fund		6,457	6,458	19,043	19,063	70,362		178,994	224,082	1,643,352
Unassigned (Deficit) - Debt Service Fund							(68,335)			
Total All Other Governmental Funds	\$ 2,378,442	\$ 939,894	\$ 924,436	\$ 1,274,623	\$ 1,365,652	\$ 441,165	\$ 1,067,663	\$ 2,187,936	\$ 11,583,875	\$ 34,557,303

Source: District Records (Exhibit B-1)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:										
Tax Levy	\$ 52,142,577	\$ 50,593,181	\$ 48,608,013	\$ 47,828,524	\$ 46,874,002	\$ 46,167,090	\$ 45,367,831	\$ 42,200,832	\$ 38,763,923	\$ 38,764,596
Miscellaneous	1,434,097	683,598	557,159	966,157	911,194	904,805	828,284	764,222	2,009,545	2,077,294
State Sources	46,246,271	44,874,235	43,527,613	42,695,060	42,948,655	39,576,638	38,189,996	34,767,652	38,671,344	34,883,050
Federal Sources	2,842,175	2,778,053	2,671,526	3,141,592	2,353,478	3,752,302	3,141,149	8,070,348	2,334,037	2,459,367
Total Revenue	102,665,120	98,929,066	95,364,311	94,631,333	93,087,329	90,400,835	87,527,260	85,803,054	81,778,849	78,184,306
Expenditures:										
Instruction										
Regular Instruction	23,839,727	24,309,862	23,753,531	23,907,815	23,115,299	22,909,128	23,417,601	24,444,586	24,376,422	23,308,504
Special Education Instruction	8,235,965	7,857,929	7,834,359	7,896,527	7,522,903	7,587,860	7,151,922	6,549,798	7,221,994	6,646,826
Other Special Instruction	1,591,273	1,517,403	1,632,299	1,722,550	1,595,165	1,628,382	155,393	153,058	146,843	141,466
Vocational				1,150	96,424	90,941	90,699	80,394	85,938	80,463
Other Instruction	1,241,421	1,164,585	1,192,836	1,225,963	1,061,882	1,015,413	1,772,693	1,465,040	1,966,319	1,496,371
Support Services:										
Student and Instruction Related Services	15,210,177	13,500,690	14,349,774.07	14,874,575	13,232,495	11,558,848	10,867,189	10,211,163	9,971,001	9,646,530
School Administrative Services	3,721,707	3,685,863	3,665,863	3,304,835	3,141,849	3,112,649	3,025,027	3,073,330	3,399,253	3,159,859
Other Administrative Services	3,344,075	2,984,351	2,756,213	2,873,474	2,704,970	2,616,917	2,476,014	2,391,131	2,288,386	2,428,299
Plant Operations and Maintenance	8,191,299	8,075,543	7,695,038	7,803,366	7,603,882	7,853,489	8,134,807	7,947,870	7,668,271	7,138,672
Pupil Transportation	7,540,316	7,093,824	6,797,967	6,137,801	5,384,896	5,022,229	5,527,274	5,526,479	5,417,884	5,466,917
Unallocated Benefits	23,731,635	21,746,432	19,949,220	18,847,770	18,806,638	17,216,119	16,482,269	15,422,348	14,150,971	14,737,600
Transfer to Charter Schools	59,248	66,029	40,286	44,825	34,400	22,495				
Capital Outlay	738,108	1,196,070	1,262,635	2,818,508	1,849,512	1,259,624	2,623,647	8,574,363	24,157,460	10,931,586
Debt Service:										
Principal	2,610,000	2,500,000	2,945,000	2,959,474	2,824,474	2,714,473	2,709,474	2,469,474	2,399,474	2,194,474
Interest and Other Charges	2,109,364	2,210,565	1,777,331	2,500,010	2,603,302	2,683,019	2,687,001	2,942,792	4,910,839	1,226,871
Total Expenditures	102,164,315	97,909,146	95,652,352	96,918,642	91,578,091	87,291,586	87,121,010	91,251,824	108,161,054	88,604,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	500,805	1,019,920	(288,041)	(2,287,309)	1,509,239	3,109,249	406,250	(5,448,770)	(26,382,205)	(10,420,132)
Other Financing Sources (Uses):										
Accounts Receivable/Payable Canceled							(65,988)	(716,558)	(1,669)	(687,632)
Capital Leases	149,335	81,992	275,861	1,596,300	663,460		1,460,639		2,003,522	
Transfers In	1,563,246	400,000							160,524	
Transfers Out	(1,563,246)	(400,000)						(57,502)	(47,182)	(194,896)
Total Other Financing Sources (Uses)	149,335	81,992	275,861	1,596,300	663,460	-	1,394,651	(774,060)	2,115,194	(882,528)
Net Change in Fund Balances	\$ 650,140	\$ 1,101,912	\$ (12,180)	\$ (691,009)	\$ 2,172,698	\$ 3,109,249	\$ 1,800,901	\$ (6,222,830)	\$ (24,267,010)	\$ (11,302,659)
Debt Service as a Percentage of Noncapital Expenditures	4.7%	4.9%	5.0%	5.8%	6.0%	6.3%	6.4%	6.5%	8.7%	4.4%

Source: District Records (Exhibit B-2)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tuition	\$ 671,550	\$ 319,193	\$ 361,395	\$ 437,996	\$ 493,982	\$ 440,587	\$ 524,301	\$ 370,346	\$ 275,373	\$ 121,298
Transportation	66,657	87,640								
Interest on Investments	98,861	92,008	86,170	85,822	80,971	64,961	48,913	46,481	77,654	177,151
Refund of Prior Year Expenditures				131,844	43,180	135,825	10,523	21,121	15,681	40,257
Athletic Gate Receipts	19,666	20,066	17,011	24,080	17,499	20,713	4,950			3,223
Lost Book Fees	2,479	3,439	4,816	4,573	2,997	3,579	5,342	4,879	6,151	5,918
Insurance and Claims									358,019	
Miscellaneous	561,167	68,363	20,291	175,789	114,668	93,483	54,663	193,243	113,257	81,652
	<u>\$ 1,420,380</u>	<u>\$ 590,708</u>	<u>\$ 489,682</u>	<u>\$ 860,104</u>	<u>\$ 753,297</u>	<u>\$ 759,148</u>	<u>\$ 648,692</u>	<u>\$ 636,071</u>	<u>\$ 846,136</u>	<u>\$ 429,499</u>

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
Unaudited

<u>Year Ended Dec. 31</u>	<u>Total Assessed Value</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated (County Equalized) Value</u>	<u>Total Direct School Tax Rate (2)</u>
2017	\$ 2,658,667,400	\$ 7,894,354	\$ 2,666,561,754	\$ 218,753,200	\$ 2,654,651,348	\$2.01
2016	2,651,540,600	7,723,031	2,659,263,631	218,650,500	2,630,673,471	1.97
2015	2,631,876,000	7,234,158	2,639,110,158	217,674,300	2,609,444,955	1.88
2014	2,623,249,500	7,329,382	2,630,578,882	216,706,600	2,516,655,477	1.83
2013	2,706,694,800	8,494,571	2,715,189,371	216,209,000	2,625,175,545	1.74
2012	2,851,419,800	9,480,951	2,860,900,751	214,680,700	2,657,284,647	1.63
2011	2,871,410,400	10,446,211	2,881,856,611	203,351,100	2,775,405,672	1.59
2010	2,888,020,100	9,728,263	2,898,748,363	203,898,700	2,896,438,994	1.51
2009	2,874,088,300	9,293,958	2,881,250,038	200,961,400	3,009,352,539	1.41
2008	2,842,526,900	9,878,892	2,852,405,792	199,862,900	3,069,649,506	1.36

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax rates are per \$100

Source: Gloucester County Board of Taxation

TOWNSHIP OF MONROE SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

Unaudited

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation Debt <u>Service</u>	Total Direct School <u>Tax Rate</u>	Special <u>Districts</u>	Township of <u>Monroe</u>	Gloucester <u>County</u>	
2017	\$ 1.977	\$ 0.040	\$ 2.017	N/A	\$ 0.899	\$ 0.626	\$ 3.542
2016	1.932	0.041	1.973	N/A	0.899	0.625	3.497
2015	1.740	0.140	1.880	N/A	0.890	0.627	3.397
2014	1.677	0.155	1.832	N/A	0.898	0.614	3.344
2013	1.597	0.147	1.744	N/A	0.828	0.557	3.129
2012	1.490	0.137	1.627	N/A	0.717	0.529	2.873
2011	1.455	0.134	1.589	N/A	0.704	0.537	2.830
2010	1.386	0.125	1.511	N/A	0.691	0.576	2.778
2009	1.309	0.096	1.405	N/A	0.678	0.592	2.675
2008	1.271	0.088	1.359	N/A	0.628	0.562	2.549

Source: Municipal Tax Collector

TOWNSHIP OF MONROE SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Ten Years Ago
Unaudited

<u>Taxpayer</u>	2017			2008		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Valuation Taxable</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Wal-Mart Real Estate Business Trust	\$ 21,746,200	1	0.82%		Not Available	
Barclay Glenn at Cross Keys LLC	16,100,000	2	0.60%		Not Available	
Williamstown Inc Suisse/Walmart	13,270,200	3	0.50%	\$ 13,270,200	1	0.47%
Nationwide MHC LLC / Continental.Com	11,411,400	4	0.43%		Not Available	
Jefferson Village	10,250,000	5	0.38%	11,856,700	2	0.42%
Friendly Village	9,887,700	6	0.37%	10,426,000	8	0.37%
Gordon Partnership LLP	8,979,600	7	0.34%	9,003,400	9	0.32%
Laurelton Village Reality	8,339,100	8	0.31%	8,339,100	10	0.29%
Verizon - New Jersey C/O Duff & Phelp	7,894,354	9	0.30%	11,165,153	5	0.39%
1420 South Black Horse Pike Prop.	6,900,000	10	0.26%		Not Available	
Total	\$ 114,778,554		4.30%	\$ 28,507,653		1.00%

Source: District CAFR & County Tax Assessor

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Years
Unaudited

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)	
		Amount	Percentage of Levy
2017	\$ 52,142,577	\$ 52,142,577	100.00%
2016	50,593,181	50,593,181	100.00%
2015	48,608,013	48,608,013	100.00%
2014	47,828,524	47,828,524	100.00%
2013	46,874,002	46,874,002	100.00%
2012	46,167,090	46,167,090	100.00%
2011	45,367,831	45,367,831	100.00%
2010	42,200,832	42,200,832	100.00%
2009	38,763,923	38,763,293	100.00%
2008	38,764,596	38,764,596	100.00%

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income (2)	Outstanding Debt Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2017	\$ 46,668,000	-	\$ 214,687	-	-	\$ 46,882,687	Unavailable	Unavailable
2016	49,278,000	-	387,624	-	-	49,665,624	Unavailable	\$ 1,346
2015	51,778,000	-	792,453	-	-	52,570,453	2.92%	1,426
2014	54,723,000	-	1,845,723	-	-	56,568,723	3.30%	1,540
2013	58,806,735	-	696,084	-	-	59,502,819	3.61%	1,625
2012	61,451,393	-	716,958	-	-	62,168,351	3.83%	1,698
2011	63,930,421	-	1,433,328	-	-	65,363,749	4.15%	1,792
2010	66,639,895	-	837,288	-	-	67,477,183	4.49%	1,865
2009	69,241,368	-	1,301,613	-	-	70,542,981	5.17%	2,120
2008	71,640,842	-	299,361	-	-	71,940,203	5.27%	2,176

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per capita personal income by municipality-estimated based upon the 2010 Census published by the US Bureau of Economic Analysis

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2017	\$ 46,668,000	\$ -	\$ 46,668,000	1.75%	Unavailable
2016	49,278,000	-	49,278,000	1.85%	\$ 1,335
2015	51,778,000	-	51,778,000	1.96%	1,405
2014	54,723,000	-	54,723,000	2.08%	1,490
2013	58,806,735	-	58,806,735	2.17%	1,606
2012	61,451,393	-	61,451,393	2.15%	1,679
2011	63,930,421	-	63,930,421	2.22%	1,753
2010	66,639,895	-	66,639,895	2.30%	1,841
2009	69,241,368	-	69,241,368	2.40%	2,081
2008	71,640,842	-	71,640,842	2.51%	2,167

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor

TOWNSHIP OF MONROE SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Monroe Township</u>
Monroe Township School District	\$ 48,403,000	\$ 48,403,000		
Monroe Township Municipal Utility Authority	15,565,000		\$ 15,565,000	\$ 15,565,000
Monroe Township	21,801,628	21,352	21,780,276	21,780,276
	<u>85,769,628</u>	<u>48,424,352</u>	<u>37,345,276</u>	<u>37,345,276</u>
Overlapping Debt Apportioned to the Municipality:				
County of Gloucester: (1)				
General:				
Bonds	238,163,000	8,319,000 (2)	229,844,000 (4)	24,456,291
Bonds Issued by Other Public Bodies Guaranteed by the County	149,913,453	149,913,453 (3)		
	<u>388,076,453</u>	<u>158,232,453</u>	<u>229,844,000</u>	<u>24,456,291</u>
	<u>\$ 473,846,081</u>	<u>\$ 206,656,805</u>	<u>\$ 267,189,276</u>	<u>\$ 61,801,567</u>

Sources:

- (1) County's Annual Debt Statement
- (2) Includes County College Bonds
- (3) Deductible in accordance with N.J.S. 40:37A-80
- (4) Such debt is allocated as a proportion of the Issuer's share of the total 2016 Net Valuation on which County taxes are apportioned, which is 10.64%

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized valuation basis (1)

2014	\$ 2,509,326,095
2015	2,602,210,797
2016	<u>2,622,950,440</u>
	<u>\$ 7,734,487,332</u>

Average equalized valuation of taxable property	<u>\$ 2,578,162,444</u>
---	-------------------------

Debt limit (4% of average equalization value) (2)	\$ 103,126,498
Total Net Debt Applicable to Limit	<u>46,668,000</u>

Legal Debt Margin	<u>\$ 56,458,498</u>
-------------------	----------------------

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt limit	\$ 103,126,498	\$ 103,042,905	\$ 103,650,810	\$ 107,059,255	\$ 112,221,729	\$ 115,356,384	\$ 119,287,199	\$ 118,751,621	\$ 112,390,289	\$ 99,445,110
Total net debt applicable to limit (3)	<u>46,668,000</u>	<u>49,278,000</u>	<u>51,778,000</u>	<u>54,723,000</u>	<u>58,806,735</u>	<u>61,451,393</u>	<u>63,930,421</u>	<u>66,639,895</u>	<u>69,241,368</u>	<u>71,640,842</u>
Legal debt margin	<u>\$ 56,458,498</u>	<u>\$ 53,764,905</u>	<u>\$ 51,872,810</u>	<u>\$ 52,336,255</u>	<u>\$ 53,414,994</u>	<u>\$ 53,904,991</u>	<u>\$ 55,356,778</u>	<u>\$ 52,111,726</u>	<u>\$ 43,148,920</u>	<u>\$ 27,804,268</u>
Total net debt applicable to the limit as a percentage of debt limit	45.25%	47.82%	49.95%	51.11%	52.40%	53.27%	53.59%	56.12%	61.61%	72.04%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2017	Unavailable	Unavailable	Unavailable	Unavailable
2016	36,908	Unavailable	Unavailable	5.70%
2015	36,862	\$ 1,798,828,738	\$ 48,799	6.50%
2014	36,734	1,711,914,602	46,603	8.00%
2013	36,617	1,648,167,787	45,011	9.20%
2012	36,603	1,624,880,376	44,392	10.40%
2011	36,472	1,576,866,920	43,235	10.30%
2010	36,189	1,502,277,768	41,512	11.40%
2009	33,276	1,364,016,516	40,991	10.80%
2008	33,057	1,365,452,442	41,306	6.40%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Principal Employers (Monroe Township)
 Current Year and Ten Years Ago
Unaudited

	2017 (1)			2008 (2)		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Township Employment</u>
Monroe Township School District	812	1	15.36%			
Monroe Township	250	2	4.73%			
Snow Ball Foods Inc.	250	3	4.73%			
Student Transportation of America Inc.	250	4	4.73%			
Tall Pines Day Camp and Picnics	250	5	4.73%			
ASL Transportation Group	100	6	1.89%		N/A	
Genova Express Lines Inc.	100	7	1.89%			
Meadowview Nursing and Respiratory	100	8	1.89%			
Maryville Inc.	100	9	1.89%			
Tabor Acoustical Inc.	100	10	1.89%			
			43.75%			

(1) Township Wide Information
 (2) Unavailable
 Source: Monroe

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction										
Regular	327.0	322.0	328.0	320.0	359.7	348.0	344.9	325.7	338.0	331.0
Special education	266.0	260.0	258.0	230.0	105.0	104.2	96.4	94.0	93.0	92.0
Other special education				24.0	96.0	99.2	85.8	35.0	35.0	8.0
Vocational		3.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Other instruction			1.0	1.0	33.8	26.0	2.9	3.0	3.0	3.0
Nonpublic school programs										5.0
Support Services:										
Solicitor					1.0	1.0	1.0	1.0	1.0	2.0
Student & instruction related services	108.0	109.0	107.0	122.0	119.4	107.9	91.1	50.8	63.5	42.0
General administrative services	10.0	10.0	10.0	8.0	10.6	8.0	6.8	8.0	9.0	8.0
School administrative services	53.0	53.0	52.0	47.0	45.3	61.5	65.7	191.0	203.5	218.0
Business administrative services	14.0	13.0	12.0	12.0	9.6	9.6	9.0	10.0	10.0	9.0
Plant operations and maintenance	18.0	17.0	19.0	21.0	2.0	2.0	12.2	2.0	2.0	2.0
Pupil transportation	4.0	4.0	5.0	5.0	4.8	4.6	4.6	4.0	4.0	5.0
Admin Info Tech	12.0	13.0	12.0	3.0	4.0	4.0	8.0	15.0	12.0	11.0
Total	<u>812.0</u>	<u>804.0</u>	<u>806.0</u>	<u>795.0</u>	<u>792.2</u>	<u>777.0</u>	<u>729.4</u>	<u>740.5</u>	<u>775.0</u>	<u>737.0</u>

Source: District Records

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2017	6,001	\$ 102,164,315	\$ 17,025	7.41%	467	1:12	1:13	1:14	6,290.2	6,026.1	4.23%	95.80%
2016	6,067	97,909,146	16,138	0.41%	462	1:13	1:13	1:14	6,072.1	5,775.6	2.86%	95.12%
2015	6,035	95,652,353	15,850	3.91%	453	1:14	1:13	1:13	6,035.1	5,749.1	0.52%	95.26%
2014	6,030	96,918,642	16,073	5.37%	450	1:14	1:13	1:13	5,903.4	5,647.0	-1.67%	95.66%
2013	6,004	91,578,091	15,253	4.16%	439	1:14	1:13	1:14	6,003.8	5,470.5	-0.86%	91.12%
2012	5,961	87,291,586	14,644	1.79%	452	1:15	1:13	1:13	6,055.8	5,758.2	-0.02%	95.09%
2011	6,059	87,166,235	14,386	-4.07%	443	1:15	1:13	1:12	6,056.8	5,758.9	1.38%	95.08%
2010	6,085	91,251,824	14,996	-18.43%	490	1:9	1:13	1:10	5,974.1	5,697.5	1.55%	95.37%
2009	5,883	108,161,054	18,385	25.85%	443	1:15	1:13	1:12	5,883.1	5,601.0	-3.00%	95.21%
2008	6,065	88,604,438	14,609	17.61%	468	1:15	1:13	1:12	6,065.0	5,601.4	0.30%	92.36%

Sources: District Records

TOWNSHIP OF MONROE SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Elementary</u>										
Oak Knoll 1917 (1954, 1970)										
Square Feet	80,528									
Capacity (students)	641									
Enrollment	560	564	592	581	564	564	518	505	522	503
Whitehall 1967 (1970)										
Square Feet	57,017									
Capacity (students)	433									
Enrollment	400	408	418	414	397	397	391	394	409	376
Holly Glen 1967 (1978,1991)										
Square Feet	79,055									
Capacity (students)	545									
Enrollment	571	602	569	579	571	571	680	697	673	692
Radix (1981)										
Square Feet	88,777									
Capacity (students)	667									
Enrollment	683	689	730	719	728	728	760	676	760	753
<u>Williamstown Middle School (1958)</u>										
Square Feet	313,512									
Capacity (students)	1,998									
Enrollment	1,969	1,957	1,941	1,981	1,911	1,911	1,914	1,879	1,877	1,834
<u>Williamstown High School (1997)</u>										
Square Feet	338,067									
Capacity (students)	1,957									
Enrollment	1,818	1,847	1,785	1,756	1,790	1,790	1,796	1,772	1,756	1,879
<u>Other</u>										
Maple Grove Administration Building										
Square Feet	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281	11,281
Number of Schools at June 30, 2017										
Elementary = 4										
Middle School = 1										
High School = 1										
Other = 1										

Source: District Records

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES (11-000-261-XXX)

Fiscal Year Ended June 30,

<u>School Facilities</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Williamstown HS	\$ 147,082	\$ 83,844	\$ 107,581	\$ 179,620	\$ 86,794	\$ 124,907	\$ 104,485	\$ 80,852	\$ 129,430	\$ 219,207
Holly Glen Elementary	56,279	82,889	23,420	19,969	23,569	28,748	243,064	43,433	43,547	59,249
Oak Knoll Elementary	50,020	33,913	17,384	42,981	38,437	46,170	61,296	36,629	22,693	37,133
Radix Elementary	58,368	41,755	37,088	44,988	24,311	56,561	17,323	29,605	13,582	36,147
Whitehall Elementary	22,310	37,064	28,086	14,070	20,269	13,764	20,763	23,463	17,019	44,459
Williamstown MS	110,529	96,723	111,080	161,712	714,065	164,145	7,701	101,529	128,429	213,888
Undistributed	153,746	165,015	151,610	141,482	133,909	117,581				
Total School Facilities	\$ 598,334	\$ 541,203	\$ 476,249	\$ 604,822	\$ 1,041,354	\$ 551,876	\$ 454,632	\$ 315,510	\$ 354,701	\$ 610,082

* 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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2017
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
General & Auto Insurance - JIF	\$ 20,000,000	\$0
Property and Auto Physical Damage - JIF	175,000,000	500
Boiler and Machinery - JIF	125,000,000	1,000
Comprehensive Crime Coverage - JIF	500,000	500
Pollution Legal Liability - JIF	3,000,000	General Mold 25,000 100,000
Cyber Liability - JIF	1,000,000	25,000
Violent Malicious Acts - JIF	1,000,000	15,000
Disaster Management Services - JIF	2,000,000	15,000
Educator's Legal Liability - JIF	20,000,000	0
Workers Compensation - JIF	Statutory	0
Business Administrator/ Board Secretary Bond - CNA Surety	400,000	0
Student Accident - AIG	6,000,000	0

Source: District Records

SINGLE AUDIT SECTION



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Monroe School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2017. The School District's major federal and 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Monroe School District's, in the County of Gloucester, State of New Jersey, 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 federal and state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Monroe School District, in the County of Gloucester, State of New Jersey, 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 federal and state programs for the fiscal year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and New Jersey Circular 15-08-OMB, and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as finding number 2017-002. Our opinion on each major federal and state program is not modified with respect to these matters.

The School District's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Township of Monroe School District, in the County of Gloucester, State of New Jersey, 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 federal or 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 federal or state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 federal or 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 federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We consider the deficiency in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as finding number 2017-001 to be a significant deficiency.

The School District's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael D. Cesaro
Certified Public Accountant
Public School Accountant No. CS 01191

Voorhees, New Jersey
November 21, 2017

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2017

<u>Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal FAIN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Award Amount</u>	<u>Grant Period</u>	
					<u>From</u>	<u>To</u>
General Fund:						
U.S. Department of Health and Human Services:						
Passed-through the State Department of Education:						
Special Education--Medicaid Initiative	93.778	1605NJ5MAP	N/A	\$ 155,654.30	7-1-15	6-30-16
Special Education--Medicaid Initiative	93.778	1705NJ5MAP	N/A	414,213.47	7-1-16	6-30-17
ARRA - Special Education--Medicaid Initiative	93.778	1705NJ5MAP	N/A	17,669.74	4-1-09	12-31-09
Total Special Education--Medicaid Initiative						
Special Revenue Fund:						
U.S. Department of Education:						
Passed-through State Department of Education:						
I.A.S.A. (N.C.L.B.)						
Title I	84.010	S010A150030	NCLB552016	663,630.00	7-1-15	6-30-16
Title I	84.010	S010A160030	NCLB552017	712,712.00	7-1-16	6-30-17
Total Title I						
Title II - Part A	84.367	S367A150029	NCLB552016	236,295.00	7-1-15	6-30-16
Title II - Part A	84.367	S367A160029	NCLB552017	259,397.00	7-1-16	6-30-17
Total Title II - Part A						
Title III	84.365	S365A150030	NCLB552016	17,352.00	7-1-15	6-30-16
Title III	84.365	S365A160030	NCLB552017	19,793.00	7-1-16	6-30-17
Title III - Immigrant	84.365	S365A150030	NCLB552016	4,572.00	7-1-15	6-30-16
Total Title III						
I.D.E.A. Part B:						
Basic	84.027	H027A150100	IDEA540016	1,825,049.00	7-1-15	6-30-16
Basic	84.027	H027A160100	IDEA540017	1,534,051.00	7-1-16	6-30-17
Pre-School	84.173	H027A150100	IDEA540016	114,220.00	7-1-15	6-30-16
Pre-School	84.173	H027A160100	IDEA540017	98,168.00	7-1-16	6-30-17
Total I.D.E.A. Part B Special Education Cluster						
Carl D. Perkins - Secondary	84.048	V048A150030	PERK552016	32,063.00	7-1-15	6-30-16
Carl D. Perkins - Secondary	84.048	V048A160030	PERK552017	33,066.00	7-1-16	6-30-17
Total Carl D. Perkins - Secondary						
Total Special Revenue Fund						
Enterprise Fund:						
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	171NJ304N1099	N/A	164,447.09	7-1-15	6-30-16
National School Lunch Program	10.555	171NJ304N1099	N/A	183,838.31	7-1-16	6-30-17
Cash Assistance:						
School Breakfast Program	10.553	171NJ304N1099	N/A	205,625.55	7-1-15	6-30-16
School Breakfast Program	10.555	171NJ304N1099	N/A	184,146.16	7-1-16	6-30-17
National School Lunch Program	10.555	171NJ304N1099	N/A	122,437.22	7-1-15	6-30-16
National School Lunch Program	10.555	171NJ304N1099	N/A	779,716.00	7-1-16	6-30-17
Special Milk Program	10.556	171NJ304N1099	N/A	1,043.77	7-1-15	6-30-16
Special Milk Program	10.556	171NJ304N1099	N/A	4,160.18	7-1-16	6-30-17
Total Child Nutrition Cluster						
Total Federal Financial Assistance						

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2017

Balance June 30, 2016		Budgetary Expenditures					Balance June 30, 2017		
Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures	Passed-Through to Subrecipients	Accounts Receivable	Unearned Revenue	Due to Grantor
\$ (49,463.39)		\$ 49,463.39							
		394,328.59	\$ 414,213.47		\$ 414,213.47		\$ (19,884.88)		
		17,669.74	17,669.74		17,669.74				
(49,463.39)	\$ -	461,461.72	431,883.21	\$ -	431,883.21	\$ -	(19,884.88)	\$ -	\$ -
(231,113.00)		231,113.00							
		414,942.00	691,107.00		691,107.00		(276,165.00)		
(231,113.00)	-	646,055.00	691,107.00	-	691,107.00	-	(276,165.00)	-	-
(68,180.00)		68,180.00							
		121,560.00	188,423.00		188,423.00		(66,863.00)		
(68,180.00)	-	189,740.00	188,423.00	-	188,423.00	-	(66,863.00)	-	-
(4,485.00)		4,485.00							
		9,092.00	13,406.00		13,406.00		(4,314.00)		
(800.00)		800.00							
(5,285.00)	-	14,377.00	13,406.00	-	13,406.00	-	(4,314.00)	-	-
(570,374.00)		570,374.00							
		1,037,088.00	1,435,699.00		1,435,699.00		(398,611.00)		
(22,334.00)		32,380.00							10,046.00
		39,879.00	50,352.00		50,352.00		(10,473.00)		
(592,708.00)	-	1,679,721.00	1,486,051.00	-	1,486,051.00	-	(409,084.00)	-	10,046.00
(1,378.00)		1,378.00							
		32,127.00	33,066.00		33,066.00		(939.00)		
(1,378.00)	-	33,505.00	33,066.00	-	33,066.00	-	(939.00)	-	-
(898,664.00)	-	2,563,398.00	2,412,053.00	-	2,412,053.00	-	(757,365.00)	-	10,046.00
10,757.84			10,757.84		10,757.84				
		183,838.31	164,277.87		164,277.87			19,560.44	
(35,028.66)		35,028.66							
		145,687.47	184,146.16		184,146.16		(38,458.69)		
(119,883.34)		119,883.34							
		645,542.62	779,716.00		779,716.00		(144,618.08)		10,444.70
(804.85)		804.85							
		3,391.73	4,160.18		4,160.18		(768.45)		
(144,959.01)	-	1,134,176.98	1,143,058.05	-	1,143,058.05	-	(183,845.22)	19,560.44	10,444.70
\$ (1,093,086.40)	\$ -	\$ 4,159,036.70	\$ 3,986,994.26	\$ -	\$ 3,986,994.26	\$ -	\$ (961,095.10)	\$ 19,560.44	\$ 20,490.70

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2017

State Grantor/ Program Title	State Project Number	Program or Award Amount	Matching	Grant Period		Balance June 30, 2016	
				From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor
General Fund:							
State Department of Education:							
State Aid - Public Cluster:							
Equalization Aid	16-495-034-5120-089	\$ 29,851,073.00	N/A	7-1-15	6-30-16	\$(2,845,528.69)	
Equalization Aid	17-495-034-5120-089	29,970,215.00	N/A	7-1-16	6-30-17		
Special Education Categorical Aid	16-495-034-5120-084	3,338,740.00	N/A	7-1-15	6-30-16	(318,262.61)	
Special Education Categorical Aid	17-495-034-5120-084	3,393,886.00	N/A	7-1-16	6-30-17		
Security Aid	16-495-034-5120-096	648,933.00	N/A	7-1-15	6-30-16	(61,859.00)	
Security Aid	17-495-034-5120-096	664,750.00	N/A	7-1-16	6-30-17		
Under Adequacy Aid	16-495-034-5120-097	138,556.00	N/A	7-1-15	6-30-16	(13,207.74)	
Under Adequacy Aid	17-495-034-5120-097	138,556.00	N/A	7-1-16	6-30-17		
Per Pupil Growth Aid	16-495-034-5120-098	59,305.00	N/A	7-1-15	6-30-16	(5,653.20)	
Per Pupil Growth Aid	17-495-034-5120-098	59,305.00	N/A	7-1-16	6-30-17		
PARCC Readiness Aid	16-495-034-5120-098	59,305.00	N/A	7-1-15	6-30-16	(5,653.20)	
PARCC Readiness Aid	17-495-034-5120-098	59,305.00	N/A	7-1-16	6-30-17		
Professional Learning Community Aid	17-495-034-5120-098	59,800.00	N/A	7-1-16	6-30-17		
Total State Aid - Public Cluster						<u>\$(3,250,164.44)</u>	\$ -
Transportation Aid:							
Categorical Transportation Aid	16-495-034-5120-014	432,551.00	N/A	7-1-15	6-30-16	(41,232.56)	
Categorical Transportation Aid	17-495-034-5120-014	493,145.00	N/A	7-1-16	6-30-17		
Additional Nonpublic School Transportation Aid	16-495-034-5120-014	35,494.00	N/A	7-1-15	6-30-16	(35,494.00)	
Additional Nonpublic School Transportation Aid	17-495-034-5120-014	37,109.00	N/A	7-1-16	6-30-17		
Total Transportation Aid:						<u>(76,726.56)</u>	-
Extraordinary Aid							
Extraordinary Aid	16-100-034-5120-473	268,020.00	N/A	7-1-15	6-30-16	(268,020.00)	
Extraordinary Aid	17-100-034-5120-473	405,250.00	N/A	7-1-16	6-30-17		
Total Extraordinary Aid						<u>(268,020.00)</u>	-
T.P.A.F. Social Security Aid	16-495-034-5095-002	2,511,561.33	N/A	7-1-15	6-30-16	(224,435.69)	
T.P.A.F. Social Security Aid	17-495-034-5095-002	2,463,670.23	N/A	7-1-16	6-30-17		
Total T.P.A.F. Social Security Aid						<u>(224,435.69)</u>	-
Total General Fund						<u>(3,819,346.69)</u>	-
Special Revenue Fund:							
State Department of Education:							
Nonpublic Aid:							
Nursing Services	17-100-034-5120-070	43,740.00	N/A	7-1-16	6-30-17		
Textbook Aid (Ch. 194, L. 1977)	16-100-034-5120-064	28,721.00	N/A	7-1-15	6-30-16		336.00
Textbook Aid (Ch. 194, L. 1977)	17-100-034-5120-064	28,013.00	N/A	7-1-16	6-30-17		
Technology Initiative	16-100-034-5120-373	13,078.00	N/A	7-1-15	6-30-16		225.00
Technology Initiative	17-100-034-5120-373	12,636.00	N/A	7-1-16	6-30-17		
Security Aid	16-100-034-5120-509	12,575.00	N/A	7-1-15	6-30-16		61.00
Security Aid	17-100-034-5120-509	24,300.00	N/A	7-1-16	6-30-17		
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	16-100-034-5120-067	159,984.00	N/A	7-1-15	6-30-16		3,559.00
Compensatory Education	17-100-034-5120-067	164,827.00	N/A	7-1-16	6-30-17		
English as a Second Language	16-100-034-5120-067	863.00	N/A	7-1-15	6-30-16		863.00
English as a Second Language	17-100-034-5120-067		N/A	7-1-16	6-30-17		
Transportation	16-100-034-5120-067	20,392.00	N/A	7-1-15	6-30-16		249.00
Transportation	17-100-034-5120-067	22,305.00	N/A	7-1-16	6-30-17		
Home Instruction	16-100-034-5120-067	6,907.00	N/A	7-1-15	6-30-16	(6,907.00)	
Handicapped Services (Ch. 193, L. 1977)							
Examination and Classification	16-100-034-5120-066	71,088.00	N/A	7-1-15	6-30-16		3,236.00
Examination and Classification	17-100-034-5120-066	84,837.00	N/A	7-1-16	6-30-17		
Corrective Speech	16-100-034-5120-066	66,551.00	N/A	7-1-15	6-30-16		4,353.00
Corrective Speech	17-100-034-5120-066	70,061.00	N/A	7-1-16	6-30-17		
Supplementary Instruction	17-100-034-5120-066	52,104.00	N/A	7-1-16	6-30-17		
Total Special Revenue Fund						<u>(6,907.00)</u>	12,882.00

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2017

Cash Received	Adjustments	Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2017			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 2,845,528.69									\$ 29,851,073.00
27,112,733.95		\$ 29,970,215.00			\$ (2,857,481.05)			\$ (2,857,481.05)	29,970,215.00
318,262.61									3,338,740.00
3,070,299.24		3,393,886.00			(323,586.76)			(323,586.76)	3,393,886.00
61,859.00									648,933.00
601,370.06		664,750.00			(63,379.94)			(63,379.94)	664,750.00
13,207.74									138,556.00
125,345.51		138,556.00			(13,210.49)			(13,210.49)	138,556.00
5,653.20									59,305.00
53,650.62		59,305.00			(5,654.38)			(5,654.38)	59,305.00
5,653.20									59,305.00
53,650.62		59,305.00			(5,654.38)			(5,654.38)	59,305.00
54,098.43		59,800.00			(5,701.57)			(5,701.57)	59,800.00
34,321,312.87	\$ -	34,345,817.00	\$ -	\$ -	(3,274,668.57)	\$ -	\$ -	(3,274,668.57)	68,441,729.00
41,232.56									432,551.00
446,126.57		493,145.00			(47,018.43)			(47,018.43)	493,145.00
35,494.00									35,494.00
		37,109.00			(37,109.00)				37,109.00
522,853.13	-	530,254.00	-	-	(84,127.43)	-	-	(47,018.43)	998,299.00
268,020.00									268,020.00
		405,250.00			(405,250.00)				405,250.00
268,020.00	-	405,250.00	-	-	(405,250.00)	-	-	-	673,270.00
224,435.69									2,511,561.33
2,239,732.49		2,463,670.23			(223,937.74)				2,463,670.23
2,464,168.18	-	2,463,670.23	-	-	(223,937.74)	-	-	-	4,975,231.56
37,576,354.18	-	37,744,991.23	-	-	(3,987,983.74)	-	-	(3,321,687.00)	75,088,529.56
43,740.00		43,740.00							43,740.00
28,013.00		26,303.00		336.00			1,710.00		28,385.00
12,636.00		12,536.00		225.00			100.00		26,303.00
24,300.00		23,820.00		61.00					12,853.00
164,827.00		150,315.00		3,559.00			14,512.00		12,536.00
1,371.00		1,279.00		863.00			92.00		12,514.00
22,305.00		21,802.00		249.00			503.00		23,820.00
6,907.00									156,425.00
84,837.00		66,838.00		3,236.00			17,999.00		150,315.00
70,061.00		69,001.00		4,353.00			1,060.00		156,425.00
52,104.00		52,026.00					78.00		150,315.00
511,101.00	-	467,660.00	-	12,882.00	-	-	36,534.00	-	20,143.00
									21,802.00
									6,907.00
									67,852.00
									66,838.00
									62,198.00
									69,001.00
									52,026.00
									833,658.00

(Continued)

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2017

<u>State Grantor/ Program Title</u>	<u>State Project Number</u>	<u>Program or Award Amount</u>	<u>Matching</u>	<u>Grant Period</u>		<u>Balance June 30, 2016</u>	
				<u>From</u>	<u>To</u>	<u>Unearned Revenue/ (Accounts Receivable)</u>	<u>Due to Grantor</u>
Capital Projects Fund:							
New Jersey School Development Authority:							
Education Facilities Construction Grant	3280-090-13-1006-G04	\$ 325,271.00	\$ 272,730.00	11-28-14	open	\$ (297,417.91)	
Education Facilities Construction Grant	3280-050-14-1014-G04	452,333.00	379,267.00	11-4-16	open		
Total Capital Projects						(297,417.91)	\$ -
Debt Service Fund:							
State Department of Education:							
Debt Service Aid	17-495-034-5120-075	1,089,312.00	N/A	7-1-16	6-30-17		
Enterprise Fund:							
State School Lunch Aid	16-100-010-3350-023	20,926.66	N/A	7-1-15	6-30-16	(3,180.81)	
State School Lunch Aid	17-100-010-3350-023	19,804.70	N/A	7-1-16	6-30-17		
Total Enterprise Fund						(3,180.81)	-
Total State Financial Assistance						(4,126,852.41)	12,882.00
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf T.P.A.F. Pension Contributions							
Normal Cost	17-495-034-5094-002	3,635,692.00	N/A	7-1-16	6-30-17		
Non-contributory Insurance	17-495-034-5094-004	131,730.00	N/A	7-1-16	6-30-17		
Long-Term Disability Insurance	17-495-034-5094-004	10,301.00	N/A	7-1-16	6-30-17		
Post Retirement Medical	17-495-034-5094-001	3,139,119.00	N/A	7-1-16	6-30-17		
Total General Fund (Non-Cash Assistance)						-	-
Total State Financial Assistance						<u><u>\$(4,126,852.41)</u></u>	<u><u>\$ 12,882.00</u></u>

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2017

Cash Received	Adjustments	Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance June 30, 2017			Memo	
					Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
		\$ 19,799.09 37,956.42			\$ (317,217.00) (37,956.42)			\$	317,217.00 37,956.42
\$ -	\$ -	57,755.51	\$ -	\$ -	(355,173.42)	\$ -	\$ -	\$ -	355,173.42
1,089,312.00		1,089,312.00							1,089,312.00
3,180.81 16,290.62		19,804.70			(3,514.08)				20,926.66 19,804.70
19,471.43	-	19,804.70	-	-	(3,514.08)	-	-	-	40,731.36
39,196,238.61	-	39,379,523.44	-	12,882.00	(4,346,671.24)	-	36,534.00	(3,321,687.00)	77,407,404.34
3,635,692.00 131,730.00 10,301.00 3,139,119.00		3,635,692.00 131,730.00 10,301.00 3,139,119.00							3,635,692.00 131,730.00 10,301.00 3,139,119.00
6,916,842.00	-	6,916,842.00	-	-	-	-	-	-	6,916,842.00
\$ 46,113,080.61	\$ -	\$ 46,296,365.44	\$ -	\$ 12,882.00	\$ (4,346,671.24)	\$ -	\$ 36,534.00	\$ (3,321,687.00)	\$ 84,324,246.34

TOWNSHIP OF MONROE SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2017

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Monroe School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s 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 State of New Jersey Circular 15-08-OMB, *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, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following, as applicable, the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 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 June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2. The capital projects fund is presented in the accompanying schedules on the modified accrual basis of accounting.

**Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance (Cont'd)**

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$30,290.00 for the general fund and \$21,430.96 for the special revenue fund. See exhibit C-3, notes to required supplementary information, 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	\$ 431,883.21	\$ 37,744,991.23	\$ 38,176,874.44
Special Revenue	2,412,053.00	467,660.00	2,879,713.00
Capital Projects		57,755.51	
Debt Service		1,089,312.00	1,089,312.00
Food Service	1,143,058.05	19,804.70	1,162,862.75
	<u>\$ 3,986,994.26</u>	<u>\$ 39,379,523.44</u>	<u>\$ 43,308,762.19</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2017, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. 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 fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2017

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? X yes ___ none reported

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 Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? X 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>93.778</u>	<u>1705NJ5MAP</u>	<u>Special Education--Medicaid Initiative</u>
<u>93.778</u>	<u>1705NJ5MAP</u>	<u>ARRA - Special Education--Medicaid Initiative</u>
		Child Nutrition Cluster:
<u>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>171NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.556</u>	<u>171NJ304N1099</u>	<u>Special Milk Program</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 \$ 750,000.00

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

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 Circular 15-08-OMB? ___ yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

State Aid - Public Cluster:

495-034-5120-078

Equalization Aid

495-034-5120-089

Special Education Categorical Aid

495-034-5120-084

Security Aid

495-034-5120-096

Under Adequacy Aid

495-034-5120-097

Per Pupil Growth Aid

495-034-5120-098

PARCC Readiness

495-034-5120-101

Professional Learning Community Aid

495-034-5120-075

Debt Service Aid

Dollar threshold used to determine Type A programs \$ 1,181,386.00

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

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 2- Schedule of Financial Statement Findings

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

None

TOWNSHIP OF MONROE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2017

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding No. 2017-001

Information on the Federal Program

CFDA 10.555 National School Lunch Program
 U.S. Department of Agriculture Passed-through State Department of Education
 Federal award identification number 171NJ304N1099
 July 1, 2016 to June 30, 2017

Criteria or Specific Requirement

The National School Lunch Program requires that accurate counts of meals provided are reported for reimbursement monthly.

Condition

The School District did not properly document meals served to students in accordance with the requirements of the National School Lunch Program.

Questioned Costs

The total questioned costs as a result of this finding are \$10,444.70. This number is made up of the known questioned costs of \$6,430.70 and the likely questioned costs of \$4,016.16. The known questioned costs are the result of detailed testing and the likely questioned costs are a projection based on that detail testing.

Context

During our testing of 7 days of food service receipts at the high school, we noted 53 meals served to students during in-school suspensions that were not documented properly.

Effect

The effect of these errors was an overclaim of federal grant funds.

Cause

This error was the result of breakdown of internal controls over the School District's reporting of meals served.

Recommendation

The School District should ensure that meals served to students are documented properly in accordance with the requirements of the National School Lunch Program.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2017-002

Information on the Federal Program

CFDA 10.555 National School Lunch Program
U.S. Department of Agriculture Passed-through State Department of Education
Federal award identification number 171NJ304N1099
July 1, 2016 to June 30, 2017

Criteria or Specific Requirement

The National School Lunch Program requirement per 7CFR § 210.9b states "School Food Authorities shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service."

Condition

The School District's net cash resources exceeded 3 months average expenditures for its nonprofit school food service.

Questioned Costs

Not Applicable

Context

During our audit of the School District's food service records, we found that the net cash resources exceeded the 3 months average expenditures by \$98,095.65.

Effect

Noncompliance with the requirements of the National School Lunch Program.

Cause

This error was the result of a delay in delivery of food service equipment.

Recommendation

The School District should ensure that its net cash resources does not exceed 3 months average expenditures for its nonprofit school food service.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF MONROE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None

TOWNSHIP OF MONROE SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

None

