

Comprehensive Annual Financial Report

of the

Old Bridge Township Board of Education

Old Bridge, New Jersey

For the Fiscal Year Ended June 30, 2017

OUTLINE OF CAFR

Page

INTRODUCTORY SECTION

Letter of Transmittal.....	2
Organizational Chart.....	13
Roster of Officials.....	14
Consultants and Advisors.....	15

FINANCIAL SECTION

Independent Auditor's Report.....	17
-----------------------------------	----

Required Supplementary Information - Part I

Management's Discussion and Analysis.....	21
---	----

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements:

A-1 Statement of Net Position.....	33
A-2 Statement of Activities.....	34

B. Fund Financial Statements:

Governmental Funds:

B-1 Balance Sheet.....	37
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance.....	38
B-3 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	39

Proprietary Funds:

B-4 Statement of Net Position.....	41
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position.....	42
B-6 Statement of Cash Flows.....	43

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position.....	45
B-8 Combining Statement of Changes in Fiduciary Net Position.....	46

Notes to the Financial Statements.....	47
--	----

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules:

C-1 Budgetary Comparison Schedule - General Fund.....	86
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	N/A
C-1b Community Development Block Grant - Budget and Actual.....	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund.....	96

**OUTLINE OF CAFR
(Continued)**

	Page
Notes to Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	98
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	101
L-2 Schedule of the District Contributions - PERS.....	102
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	103
Notes to the Required Supplementary Information - Part III	105
Other Supplementary Information	
D. School Based Budget Schedules (If Applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual.....	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures - Budgetary Basis	109
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	115
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	116
F-2a Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Carl Sandburg Middle School Generator Project - Budgetary Basis ..	117
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	120
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	121
G-3 Combining Statement of Cash Flows	122
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A

**OUTLINE OF CAFR
(Continued)**

	Page
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	125
H-2 Combining Statement of Changes in Fiduciary Net Position	126
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	127
H-4 Schedule of Receipts and Disbursements	128
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	130
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	131

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Assets by Component	135
J-2 Changes in Net Position	136
J-3 Fund Balances - Governmental Funds	137
J-4 Changes in Fund Balances - Governmental Funds	138
J-5 General Fund - Other Local Revenue by Source	139

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	141
J-7 Direct and Overlapping Property Tax Rates	142
J-8 Schedule of Principal Property Taxpayers	143
J-9 Municipal Property Tax Levies and Collections	144

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	146
J-11 Ratios of General Bonded Debt Outstanding	147
J-12 Direct and Overlapping Governmental Activities Debt	148
J-13 Legal Debt Margin Information	149

Demographic and Economic Information

J-14 Demographic and Economic Statistics	151
J-15 Principal Employers	152

Operating Information

J-16 Full-Time Equivalent District Employees by Function/Program	154
J-17 Operating Statistics	155
J-18 School Building Information	156
J-19 Schedule of Required Maintenance Expenditures by School Facility	158
J-20 Insurance Schedule	159

SINGLE AUDIT SECTION

	Page
K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	161
K-2 Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)	163
K-3 Schedule of Expenditures of Federal Awards, Schedule A	166
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	167
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	169
K-6 Schedule of Findings and Questioned Costs.....	172
K-7 Summary Schedule of Prior Audit Findings	173

INTRODUCTORY SECTION



Old Bridge Township Public Schools

Patrick A. Torre Administration Building
4207 Route 516
Matawan, New Jersey 07747
Fax (732) 583-4644

December 2017

David C. Cittadino
Superintendent of Schools
(732) 290-3976

Joseph J. Marra
School Business Administrator
& Board Secretary
(732) 290-3952

Kathleen Hoeker, Ed.D.
Assistant Superintendent
of Schools
(732) 290-3970

James Tuohy, Ed.D.
Executive Director
of Special Services
(732) 360-4461

J. Scott Cascone, Ed.D.
Executive Director
of Academics
(732) 290-3967

Rosanne Moran
Director of Technology
(732) 290-3900 x-3800

Anahita Keiller
Director of Arts & Cultures
(732) 290-3900 x-3805

Daniel DiMino
Director of Athletics
(732) 290-3900 x-3925

Honorable President and
Members of the Board of Education
Old Bridge Township School District
Middlesex County, New Jersey 07747

Dear Board Members:

The comprehensive annual financial report of the Old Bridge Township School District for the fiscal year ended June 30, 2017, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the administration of the Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and the 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 the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules and the auditor's report. 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 conformance with the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES:

The Old Bridge Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All fund account groups of the District are included in this report. The Old Bridge Township Board of Education and all its schools constitute the District's reporting entity.



Old Bridge Township Public Schools: A 2015 National District of Character

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 2016-2017 fiscal year with an average daily enrollment of 8830 students, which is 87 students below the previous year's average enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2016-17	8,830	(1.0%)
2015-16	8,917	(1.1%)
2014-15	9,018	1.5%
2013-14	8,881	(2.5%)
2012-13	9,102	(1.1%)
2011-12	9,203	(2.3%)
2010-11	9,415	(0.7%)
2009-10	9,485	(1.3%)
2008-09	9,610	(0.4%)
2007-08	9,648	(1.1%)
2006-07	9,758	(0.9%)

MAJOR INITIATIVES:

Old Bridge Township School Districts' salient accomplishments for the 2016-17 school year included:

HIGH SCHOOL 2016-17

1. Old Bridge High School continued to improve its Crisis Management and Security plan to ensure the continued safety of our students and staff, specifically reconstructing our entry doors and procedures.
2. Susan Walsh was selected as Old Bridge High School Teacher of the Year.
3. Old Bride High School continues to utilize an online system for Parent/Teacher Conference Scheduling.
4. Old Bridge High School's College and Career Center continues to guide our students in their current and future career endeavors.
5. Old Bridge High School continues to celebrate and nurture our National and State School of Character accolades by hosting numerous state and international schools showcasing OBHS as a model school of character.
6. Old Bridge High School was awarded a national Promising Practice award from Character.org for our P.E.E.R. day at Salk and Sandburg sponsored by our Peer Leadership Program.
7. Old Bridge boasts the highest quality of fitness and sports programs among Middlesex County public high schools and the 33rd best in New Jersey.
8. Old Bridge Marching Knights – National Champions and other various accolades.
9. Old Bridge Indoor Percussion – various 1st and 2nd place accolades.
10. Old Bridge High School Football Team advanced to the Sectional Championship at Rutgers High Point Stadium preceded by a kick-off Tailgate party.
11. Old Bridge High School Track and Field won awards including boys state champs.
12. OBHS Boys Cross Country team Rey Rivera State Champ.

13. OBHS Wrestling Team won the district championships.
14. OBHS Spring Sports and Food Truck Festival showcased spring sports teams and raised money for senior scholarship.
15. Old Bridge High School World Language students participated in exchange programs in Italy, China and Germany.
16. A record number of OBHS students took Advanced Placement exams this year.
17. The website Niche.com which ranks more than 100,000 public and private schools and districts based on dozens of statistics and 27 million opinions from 300,000 students and parents, ranked OBHS in top 100 at #72.
18. Old Bridge High School continues to use Apex, an online credit recovery program for our students.
19. OBHS successfully administered the PARCC test to over 2000 students.
20. OBHS held its third Safe Driving Meeting for parents and their incoming seniors who wish to obtain a parking permit.
21. Old Bridge High School continues to enhance the house model at EMGNC with common planning time for teachers.
22. Old Bridge High School Office of Student Activities, Student Senate and Peer Program sponsored a Pink Out and raised over \$5000.
23. Old Bridge High School Peer Program sponsored various fundraisers and service learning projects such as Ronald McDonald Charities, Operation Christmas Child, American Cancer Society, Breast Cancer Awareness, Polar Plunge and Special Olympics, just to name a few.
24. Old Bridge High School Peer Program was also involved in many district and school wide service learning projects such as the Heroes Program throughout all Old Bridge Elementary Schools, Project Unify, P.E.E.R. Day, Freshman and Sophomore Mentoring and Old Bridge Pop Warner.
25. OBHS JROTC sponsored various community service projects including food drives and Gifts from Home for active service men and women.
26. OBHS Project Unify sponsored a Disabilities Fair to build awareness, understanding and tolerance for students with disabilities.
27. OBHS continued its school spirit traditions: Battle of the Classes, School Spirit Weeks, Homecoming, Tailgate, Powder Puff, Pep Rallies and again this year a Lip Sync Battle.
28. OBHS Transition Planning students opened the Lollipop Shop which operated out of Room 106.
29. OBHS's annual senior trip to Disney hosted a record number of seniors.
30. OBHS TV Production students received various awards and brought together all 3000 plus students and faculty and produced a school-wide LipDub.
31. OBHS Future Business Leaders of America students receive various awards and state accolades throughout the school year.
32. OBHS SADD and Red Cross Club volunteered their time and talents to various school service projects, most notably decorating every student locker with a Valentine's Day motivational message.
33. OBHS PTSA held a Tricky Tray and various other fundraisers and gifted \$40,000 to our graduating seniors.
34. Through the generosity of the PTSA and community members, Old Bridge High School gifted over \$100,000 in scholarship money to our graduating Class of 2017.

35. Old Bridge High School motto "Do the Right Thing" was again emphasized throughout the year through classroom visits, assemblies and modeling. Student "caught" doing the right thing were rewarded with a t-shirts branding the phrase.
36. OBHS Supermarket Career Program which partners with Shop Rite, ended our first year successfully. Our Special Education students received a taste of real world work experience while teaching lifelong foundational competencies which will also assist them in gaining entry level positions upon graduation.
37. OBHS received the honor of being named the Best Student Section in Central Jersey according to NJ.com.
38. OBHS sailed around Manhattan with approximately 400 seniors on the OBHS Dinner Cruise.
39. OBHS Girls field hockey team reached the GMC Finals.
40. OBHS Varsity Cheerleaders were named GMC Champions.
41. OBHS's Newspaper Knightlife, received the Garden State Scholastic Press Association's overall excellence award.
42. OBHS hosted over 100 former students at OBHS Alumni Day #ForeverAKnight.
43. OBHS's Girls Track member, Joely Serpe won the Group IV State Championship in the 400 meter.
44. OBHS partnered with the community, most specifically Dunkin Donuts and Anthony's Coal Fired Pizza to reward our students who received honor roll.
45. OBHS Boys Lacrosse won the GMC championship.
46. OBHS was awarded a Promising Practice Award from Character.org for our P.E.E.R. Day.
47. OBHS celebrated 33 of our Class of 2017 student athletes who will be playing their respective sports in college during our 3rd Annual Collegiate Signing Day.

MIDDLE SCHOOLS 2016-17

JONAS SALK M.S.

1. The Salk School Safety Team, in conjunction with the High School Peer Teachers planned a special event for all 7th grade students. It was called Peer Day, and students and teachers shared a new respect for each other and the individual challenges we all face in life. The goal is to create a larger sense of humanity and appreciation for diversity within the school community.
2. JSMS initiated a multiple tiered approach to intervention, which replaced the IR&S program. It was also the first year that grade 6 students received intervention services in ELA.
3. 7th grade students attend Fairview, a day trip that explores environmental science tied to our curriculum in a real world setting. As well as participated in team building activities and strengthening peer to peer relationships.
4. JSMS Admin and JSMS PTA hosted a scary movie night which helped to foster a stronger bond with the surrounding community.
5. 8th Grade Career Day was held in which members of the community were brought in to speak to 8th graders about career choices and answer questions.
6. Project Pride assembly for all grade levels was held. Current prison inmates came to speak to our students about the importance of their daily decisions, with their own personal accounts of the decisions that they made in middle school and high school which led to their involvement with alcohol/other drugs and to their present incarceration.

7. An initial Character Education team was formed in late spring in preparation for our Character Education initiative and application process.
8. For the week of respect we conducted student readings each morning that focused on peer interactions and connected with the student body, with a supporting video for each day of the week.
9. Held a charity soccer game between the girls' and the boys' teams. During the latter part of the school day, the girls soccer team played the boys soccer team to raise funds to donate to the Memorial Sloan-Kettering Pediatric Cancer Center in New York in the name of former student Christopher Picco. Chris was a Salk student who lost his hard-fought battle with cancer in 2002. Chris' father participated in our event June of 2017.
10. A mentoring program for at-risk students.
11. "Collaborative Co-workers" Program to recognize and reward outstanding accomplishments of the staff who exhibited outstanding collaborative work.
12. Student of the Month program and Student of the Month breakfast with the principal every 2 months. The Student of the Year dinner hosted at the Elks in June.
13. Library Program offered after school. CST stayed after school to offer support for students to complete class assignments, homework and use the internet services.
14. Civil War Day Program.
15. Veterans Day Assembly.
16. After school intervention program to provide support and remediation for students who failed a marking period.
17. Old Bridge Public library held an assembly with all students to inform students of the programs offered at the library.
18. Student council elections were held online.
19. OBHS JROTC conducted an assembly for 8th grade students to inform students about the program and boost enrollment at the high school

MIDDLE SCHOOLS 2016-2017

CARL SANDBURG M.S.

1. Continued implementation of RTI in grades 6-7-8. This includes regular Data Team meetings to monitor student progress.
2. Student Attendance Committee comprised of CST, Guidance, Attendance Clerk, building administration and teacher volunteers. The purpose of this committee is to closely monitor chronic absenteeism and to create individualized interventions to improve student attendance.
3. Mock Trial Award – students were invited to present at the NJ Bar Association.
4. Peer Mediators – Invited to train students and staff in Rahway Public Schools. Presented at NJ Bar Association annual conference.
5. 1st and 2nd place awards for orchestra, band and choir in the annual Music in the Parks competition.
6. Academic Team 3rd place honors in the completion held a Hammershald MS in EB.
7. After school tutoring for at-risk learners in ELA and mathematics.

8. Adaptive physical education program including opportunities for mainstreaming.
9. Cougar Connect mentoring program extended to include more at-risk students and more days with the YMCA. Weekly mentoring sessions between student and mentor. Extended activities to build student self-esteem.
10. PEER Day – All 7th grade students participated in a collaborative event presented by the OBHS Peer Leaders.
11. 6th grade orientation including spring school visitation and summer orientation. This included a 3 hour summer orientation prior to the start of school.
12. Evening orientation made available for parents/guardians of incoming 6th graders.
13. Administrator and guidance counselor visits to all sending elementary schools.
14. Anti-Bullying/School Violence Awareness week activities.
15. School-wide Character Education program including quarterly rallies highlighting student accomplishments, sports teams, and performing groups.
16. PEER Leadership assembly program for all students promoting awareness and tolerance.
17. Builders Club dedicated to community awareness and community service. Builders Club sponsored the CSMS Talent Show.
18. Make-a-Wish Foundation annual Macys letter writing campaign.
19. Steps for Vets (over \$16,000 raised). Fundraiser and assembly with presentations by local veterans.
20. Habitat for Humanity – Student off site build in September, 2016. Teacher on-site build in Newark in March, 2017.
21. St Jude Fundraiser –Volleyball-a-Thon.
22. Food Bank Collection (in November for local food banks).
23. Kids Walk for Kids with Cancer walkathon in conjunction with Arms Wide Open and Heart Association.
24. Kindness Ticket program (students were encouraged to act kindly toward each other).
25. Student of the Month and Student of the Year programs held in conjunction with the OB Elks.
26. REACH trip – culminating trip earned by students who have demonstrated academic excellence, community service and/or participation in sports or school activities. Points are earned throughout the year to qualify for the trip.
27. 9/11 Memorial gathering at Municipal Center—interaction with the municipality during the 9/11 commemoration ceremony.
28. Active involvement in the Clean Communities Program through the Environmental Club of Sandburg.
29. World Language Fair to celebrate and recognize diversity.

ELEMENTARY SCHOOLS 2016-17

Easy CBM

Online diagnostic assessment in Math and Language Arts for grades K-5.

Achieve 3000

Ongoing implementation of informational reading support software in special education classes K-5.

Response to Intervention

Ongoing implementation of Response to Intervention student support framework K-5, each school staffed with at least one interventionist. RTIm Direct software implemented to record and track student Intervention and Referral Services plans.

Kids to College Program

Schedule of visitations

<i>SCHOOL TAKING TRIP</i>	<i>NAME OF UNIVERSITY</i>	<i>DATE OF TRIP</i>
Carpenter	Staten Island University	3/23/17
Cheesequake	Georgian Court	4/28/17
Cooper	Kean University	2/17/17
Grissom	The College of New Jersey	5/22/17
McDivitt	Brookdale Community College	11/18/16
Madison Park	Rutgers RWJ Medical School	3/20/17
Memorial	Middlesex Community College	3/16/17
Miller	Ocean County College	11/21/16
Schirra	Monmouth University	3/23/17
Shepard	Princeton University	3/10/17
Southwood	Rider University	12/9/16
Voorhees	Rutgers College	3/30/17

Parent University

November 16, 2016

Study Skills

All elementary schools participate in reading initiatives and math incentives, cultural diversity program; poster and essay contests offerings by various organizations.

Journey's Program

The Journey's program was implemented in grade 2 for the 2016-2017 school year.

Ice Skating Trips – Elementary, Middle & High School

Field trips to the Old Bridge Ice Skating Rink at no cost to the district. This initiative helped us to continue to address childhood obesity issues and promote former First Lady Michelle Obama's Let's Move Program.

Pre-School

Fully enrolled tuition pre-school program at Glenn School to provide for an integrated program.

Professional Learning Communities

Expanded practices of Professional Learning Communities to be in compliance with the State mandated School Based Professional Development Initiative focusing on school improvement, closing the student achievement gap and providing instruction with rigor and relevance.

Outreach Programs

Recycling programs, assemblies, and activities were held in all schools in conjunction with township and county organizations.

Robert Wood Johnson University Hospital Safety Ambassador Program initiated a partnership with the High School Health Occupations Class. A Training Program was provided and the students prepared lessons to be taught to first and second graders.

Character Education Programs

During the 2016-2017 school year the following was achieved:

- One (1) school, our district's final applicant, Jonas Salk Middle School, achieved its first State Recognition as a School of Character.
- One (1) school, our district's final applicant, Jonas Salk Middle School, achieved its first National Recognition as a School of Character.
- Eight (8) schools, our high school, one middle school and six elementary schools, earned 9 of our 10 Promising Practice Awards this year.
- One (1) of those schools, James McDivitt Elementary School, earned two of the Promising Practice Awards this year.
- Our district earned the 10th Promising Practice this year via our Kids at College program.

To celebrate our 2015-16 Character Ed accomplishments, the Superintendent and Assistant Superintendent, along with the Principals from our two 2016 National Schools of Character traveled to Washington, DC to receive their recognition awards at the character.org National Forum October 13-15, 2016. Two teachers from schools that received 2016 Promising Practices also attended.

Our 2016-17 school year Character Ed activities have brought our district to an even higher level of success and accomplishment with all sixteen (16) of our schools, along with our district, now recognized as both State and National Schools of Character. In addition, our district raised its Promising Practices achievements significantly with ten (10) of this year's thirteen (13) applications earning Promising Practice recognition. With this occurring, our district along with twelve (12) of our sixteen (16) schools are now each recognized for at least one Promising Practice, with five (5) of our schools so far having earned more than one (1).

(Please see the chart below for a summary of each school's CE recognition timeline.)

SCHOOL	STATE RECOGNITION	NATIONAL RECOGNITION	NATIONAL MODEL	PROMISING PRACTICES
Shepard	2010	2011		2013, 2015 (2), 2016, 2017
Madison Park	2013	2014		
McDivitt	2013	2014		2017 (2)
Cheesequake	2014	2014	2014	2014
Cooper	2014	2016		2012, 2016, 2017
Memorial	2014	2015		2016
Southwood	2014	2015		2014
Voorhees	2014	2014		
Carpenter	2015	2015		2017
Grissom	2015	2016		
Miller	2015	2015		2014, 2017
Schirra	2015	2015		2014, 2017
OBHS	2015	2015		2017
Sandburg	2016	2016		2017
Salk	2017	2017		
OBTPS District	2015	2015		2017

Challenge Program

- In 2014 with the help of a consultant from Montclair State University, there was a restructuring of the program into a full year comprehensive 3rd grade, fourth grade, and fifth grade curriculum based on thematic units that incorporated significant elements of technology. This has been the format from September 2014 through this year.
- Students of each grade were bussed once a week to one of two locations (Shepard or Voorhees) for a one day a week class that ran from 9:30-1:30. Monday for Gr 3, Tuesday for Gr 4 and Thursday for Gr 5.
- PETS (Primary Education Thinking Skills) occupied the Challenge teachers' two other days, where they pushed into all the second-grade classes across the district to provide enrichment activities based off of the PETs Curriculum.
- A robust and very well constructed website was established, maintained, and posted on the district's website to facilitate the dissemination of information regarding the Challenge Program.
- An instructional video, complete with narration, was created to help create a manner of uniformly disseminating information to all 12 elementary school staff and faculty. This was disseminated to the principals and shown prior to the nomination process. Also, Challenge lead teachers have been selected at each building to help answer questions and to provide uniformity to information that is disseminated.
- An eligibility matrix utilized the district's EasyCBM assessment given in all elementary grades, along with the Challenge Assessments given to students in grades 2,3 &4 and a test of divergent thinking.
- A Parent nomination component was used in the nomination process to include parents in the community. As a result, a number of students who were nominated by parents and had not been nominated by their grade level teachers gained entry into the Challenge Program.
- New technology was used (Beebots and Ozobots and an additional 3D printer) in order to enhance the technological aspect of the program. This was met with great enthusiasm by both teachers and students. Students used the technology to showcase their projects at the year end showcases.
- 3 grade level Showcases were held as culminating events for the year-long Challenge Program.

Overall the program continues to provide comprehensive challenges and learning experiences to the Old Bridge's elementary gifted learners. At the conclusion of the year, surveys were given to students and parents and very positive feedback was given in all areas polled. The survey is available upon request.

Technology

All our elementary students work in Office 365 and Office 16 as all of the labs were upgraded for this software. Pilot program with the 3D printer at Schirra Elementary School. Acclimated the elementary computer teachers to Office 365, OneNote, One Drive.

INTERNAL ACCOUNTING CONTROLS: Administration 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 administration.

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place for compliance with applicable laws and regulations

related to those programs. This internal control structure is subject to periodic evaluation by the District administration.

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

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is presented 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

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.

FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund. Revenues for the fiscal year ended June 30, 2017 and the amount and percentage of increases (decreases) in relation to prior year revenues.

REVENUE	JUNE 30, 2017	PERCENTAGE OF TOTAL	JUNE 30, 2016	INCR. / DECR. FROM 2016	PERCENTAGE OF INCR / DECR
LOCAL SOURCES	\$ 97,092,660	58.31%	\$ 94,667,991	\$ 2,414,669	2.55%
STATE SOURCES	65,364,495	39.26%	62,796,874	2,567,621	4.09%
FEDERAL SOURCES	3,997,335	2.40%	3,464,000	533,335	15.40%
PRIVATE SOURCES	52,408	0.03%	25,302	27,106	107.13%
TOTALS	\$ 166,506,898	100.00%	\$ 160,964,167	\$ 5,542,731	3.44%

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended **June 30, 2017** and the amount and percentage of increases (decreases) in relation to prior year amounts:

EXPENDITURES	JUNE 30, 2017	PERCENTAGE OF TOTAL	JUNE 30, 2016	INCR. / DECR. FROM 2016	PERCENTAGE OF INCR / DECR
CURRENT EXPENDITURES					
INSTRUCTION	\$ 66,251,576	39.83%	\$ 64,596,014	\$ 1,655,561	2.56%
UNDISTRIBUTED	95,615,353	57.48%	89,417,541	6,197,813	6.93%
CAPITAL OUTLAY	1,676,435	1.01%	1,667,608	8,827	0.53%
SPECIAL SCHOOLS	167,853	0.10%	119,207	48,646	40.81%
DEBT SERVICE	2,644,833	1.59%	2,970,218	(325,385)	-10.95%
	\$ 166,356,050	100.00%	\$ 158,770,587	\$ 7,585,462	4.78%

DEBT ADMINISTRATION: At June 30, 2017, the District's outstanding debt issues included \$31,940,000.00 of general obligation bonds.

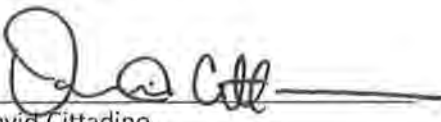
CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted an investment policy which requires it to deposit public funds in public depositories protected from loss under the provisions 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.


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, student accident insurance, and fidelity bonds.

INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company was approved by the Board during the meeting of April 19, 2016. 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 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

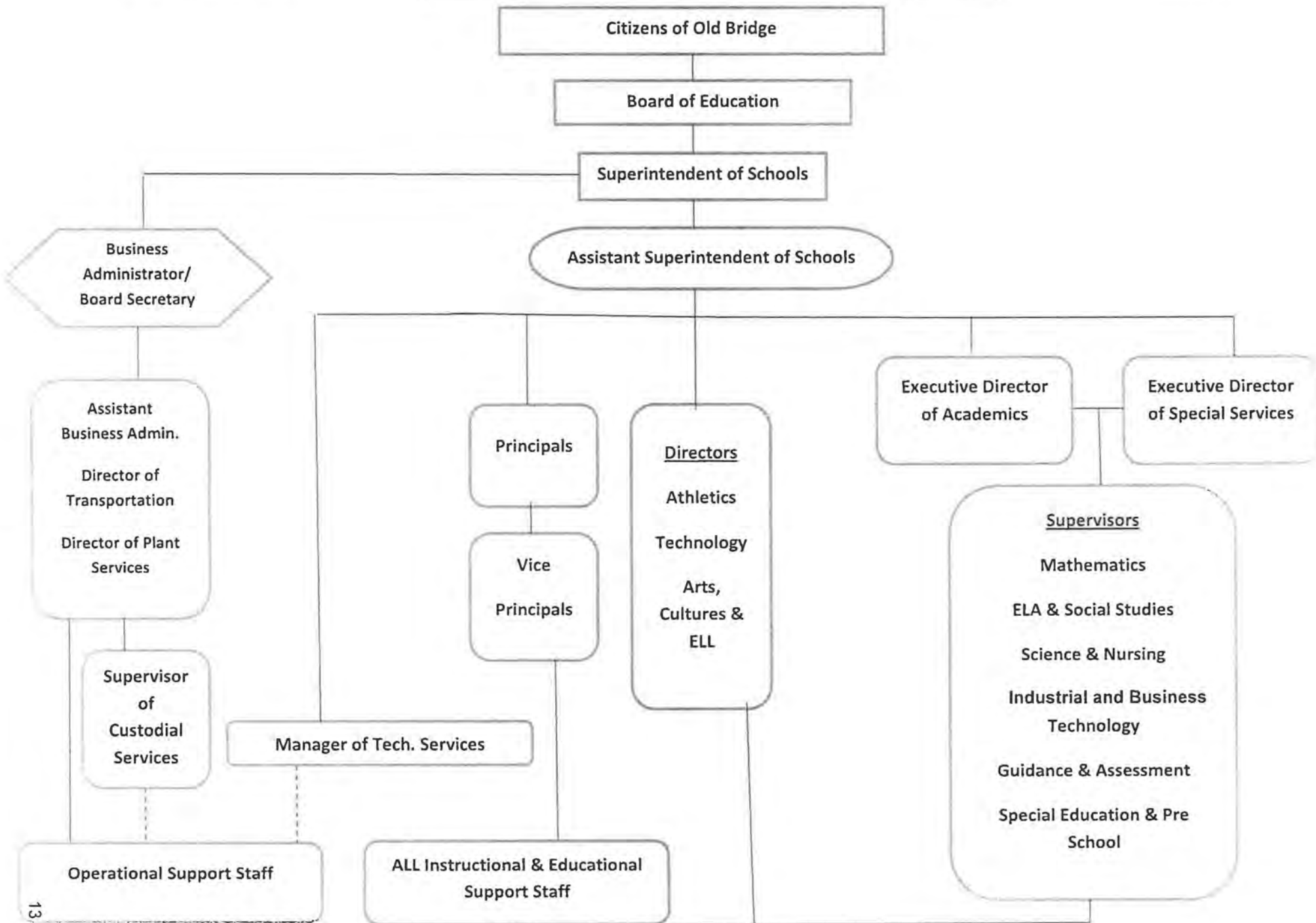
ACKNOWLEDGEMENTS: We would like to express our appreciation to the Old Bridge Township Board of Education for its concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing its full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the central office staff.

Respectfully submitted,


David Cittadino
Superintendent of Schools


Joseph J. Marra
School Business Administrator/
Board Secretary

Old Bridge Township Public Schools ORGANIZATIONAL MANAGEMENT CHART



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
OLD BRIDGE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Salvatore DiPrima, President	2018
Kelly Ellis-Foster, Vice President	2017
Jill Cali	2019
Richard Dunn	2018
Jeffrey Dynof	2018
Donna Andriani	2017
Walter Reed	2019
Balwinder Signh	2019
Frank Weber	2017
<u>Other Officials</u>	
David Cittadino, Superintendent of Schools	
Joseph J. Marra, School Business Administrator	
Himanshu Shah, Custodian of School Moneys	
Christopher B. Parton, Esq., Board Attorney	

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

JUNE 30, 2017

Architect

Tokarski & Millemann, Architects, LLC
228 Brick Boulevard, Suite 2
Brick, New Jersey 08723

Audit Firm

Samuel Klein and Company
Certified Public Accountants
550 Broad Street, 11th Floor
Newark, New Jersey 07102-4543

Attorney

Christopher B. Parton, Esq.
Kenney, Gross, Kovats & Parton
General Legal Counsel
The Courts of Red Bank
130 Maple Avenue, Building 8
Red Bank, New Jersey 07701

Official Depository

Amboy National Bank
3590 Highway #9, South
Old Bridge, New Jersey 08857

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9999
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Old Bridge Township Board of Education
County of Middlesex
Matawan, New Jersey 07747

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Old Bridge Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the Board'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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Old Bridge Township School District, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information 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

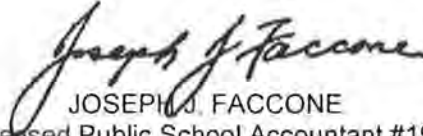
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Old Bridge Township School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2017, on our consideration of the Board of Education of the Old Bridge Township 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Old Bridge Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Old Bridge Township School District's internal control over financial reporting and compliance.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 27, 2017

REQUIRED SUPPLEMENTARY INFORMATION - PART I

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

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

Financial Highlights

Key financial highlights for 2017 are as follows:

In total, net assets totaled \$65,159,982 which represents a 6.66% decrease from 2016.

General revenues accounted for \$148,869,161 in revenue or 87.8% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$20,713,926 or 12.2% to total revenues of \$169,583,087.

Total assets of governmental activities increased by \$3,155,118 as cash and cash equivalents and investments decreased by \$318,714. Receivables increased by \$415,204 and capital assets decreased by \$3,337,073.

The District had \$174,370,851 in expenses; only \$20,713,926 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$96,360,278 and aid of \$51,631,436 were adequate to provide for these programs.

Among major funds, the General Fund had \$166,506,898 in revenues and \$166,356,050 in expenditures, which does not include the operating transfer out for the Capital Projects Fund. The General Fund's fund balance increased \$150,849 from 2016. The General Fund's fund balance is \$16,808,857.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Old Bridge Township Public School District as a financial whole, an entire operating entity. The statements then proceed to provide a detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. Governmental fund statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Old Bridge Township Public School District, the General Fund is by far the most significant.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2017". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two types of activities:

Governmental Activities — all of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities — these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 36. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, 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 District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

The District as a Whole

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

Table 1 provides a comparative summary of the District's net assets for 2017 and 2016.

Table 1 - Net Assets

	<u>2017</u>	<u>2016</u>
Assets		
Current and Other Assets	\$ 35,487,521	\$ 26,871,999
Capital Assets	<u>125,411,471</u>	<u>128,761,703</u>
Total Assets	<u><u>\$160,898,992</u></u>	<u><u>\$155,633,702</u></u>
Liabilities		
Long-Term Liabilities	\$ 90,249,319	\$ 81,554,292
Other Liabilities	<u>5,489,691</u>	<u>4,131,664</u>
Total Liabilities	<u><u>\$ 95,739,010</u></u>	<u><u>\$ 85,685,956</u></u>
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 84,777,093	\$ 86,141,387
Restricted	16,986,312	16,965,775
Unrestricted	<u>(36,603,422)</u>	<u>(33,159,416)</u>
Total Net Position	<u><u>\$ 65,159,982</u></u>	<u><u>\$ 69,947,746</u></u>

The District's combined net assets were \$65,159,982 on June 30, 2017. This is a decrease of 6.66% from the previous year.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Table 2 shows the comparative changes in net assets from fiscal year 2017 and 2016.

Table 2 - Comparative Changes in Net Assets

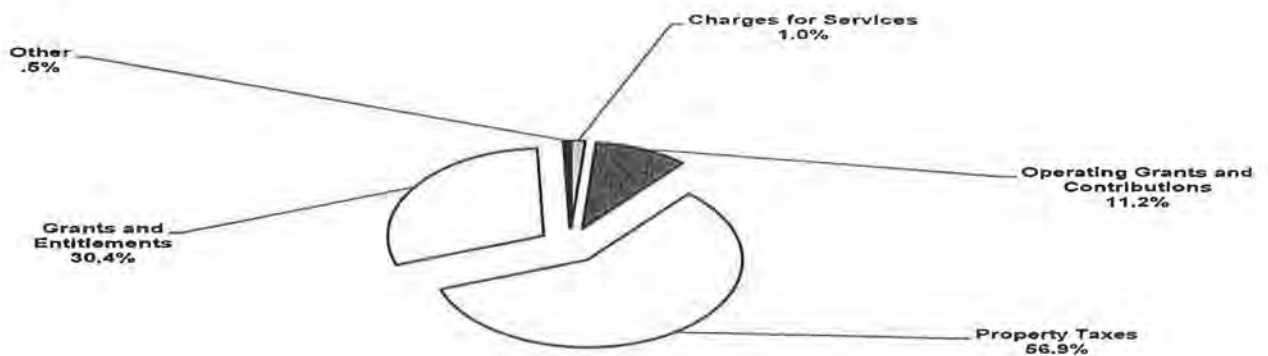
	<u>2017</u>	<u>2016</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,681,576	\$ 1,697,268	-0.92%
Operating Grants and Contributions	19,032,350	16,540,468	15.07%
General Revenues:			
Property Taxes	96,360,278	94,107,762	2.39%
Grants and Entitlements	51,631,436	50,841,371	1.55%
Other	<u>877,447</u>	<u>768,274</u>	<u>14.21%</u>
Total Revenues	<u>169,583,087</u>	<u>163,955,144</u>	<u>3.43%</u>
Program Expenses:			
Instruction	96,914,281	91,198,458	6.27%
Support Services:			
Pupils and Instructional Staff	25,532,982	24,027,125	6.27%
General Administration, School Administration, Business Operations and Maintenance of Facilities	34,900,726	32,192,948	8.41%
Pupil Transportation	12,645,258	12,098,373	4.52%
Special Schools	245,519	168,300	45.88%
Debt Service	924,833	2,011,587	-54.02%
Food Service and Community School	<u>3,207,253</u>	<u>3,060,642</u>	<u>4.79%</u>
Total Expenses	<u>174,370,851</u>	<u>164,757,433</u>	<u>5.83%</u>
Increase in Net Assets	(4,787,764)	(802,290)	
Beginning Net Assets	<u>69,947,746</u>	<u>70,750,036</u>	
Ending Net Assets	<u>\$ 65,159,982</u>	<u>\$ 69,947,746</u>	

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Government Activities

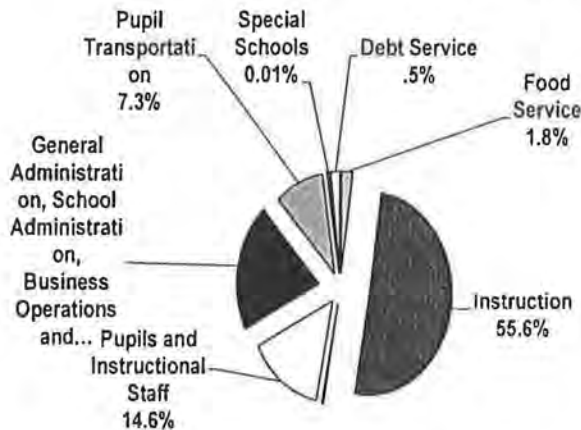
Property taxes as approved by the voters of the Old Bridge Township made up 56.9% of revenues for governmental activities for the fiscal year 2017. The District's total revenues were \$169,583,087 for the year ended June 30, 2017. Federal, state and local grants accounted for another 30.4%.

Revenue for Fiscal Year 2017



The total cost of all programs and services was \$174,370,851. Instruction comprises 55.6% of the District's expenses.

Expenses for Fiscal Year 2017



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)

Business-Type Activities

Revenues for the District's business-type activities (food service program) was comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$131,064. Charges for services represent \$1,681,576 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$1,301,955.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 – Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2016-2017	2015-2016	% Change	2016-2017	2015-2016	% Change
Instruction	\$ 96,914,281	\$ 91,198,458	6.27%	\$ 82,997,503	\$ 78,686,416	5.48%
Support Services:						
Pupils and Instructional Staff	25,532,982	24,027,125	6.27%	22,947,469	22,087,844	3.89%
General Administration, School Administration, Business Operation and Maintenance of Facilities	34,900,726	32,192,948	8.41%	33,672,622	31,224,769	7.84%
Pupil Transportation	12,645,258	12,098,373	4.52%	12,645,258	12,098,373	4.52%
Special Schools	245,519	168,300	45.88%	245,519	168,300	45.88%
Debt Service	924,832	2,011,587	-54.02%	924,833	2,011,587	-54.02%
	<u>\$ 171,163,598</u>	<u>\$ 161,696,791</u>	<u>5.85%</u>	<u>\$ 153,433,203</u>	<u>\$ 146,277,289</u>	<u>4.89%</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

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

The District's Funds

Information about the District's major funds starts on page 36. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$166,506,898 and expenditures of \$166,356,050.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2017 and June 30, 2016, and the amount and percentage of increases and decreases in relation to prior year revenues.

Comparative Summary of Revenues

<u>Revenue</u>	<u>June 30, 2017</u>	<u>Percent of Total</u>	<u>June 30, 2016</u>	<u>Increase (Decrease) from 2016</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 97,092,660	58.31%	\$ 94,677,991	\$ 2,414,669	2.55%
State Sources	65,364,495	39.26%	62,796,874	2,567,621	4.09%
Federal Sources	3,997,335	2.40%	3,464,000	533,335	15.40%
Private Sources	52,408	0.03%	25,302	27,106	107.13%
	<u>\$ 166,506,898</u>	<u>100.00%</u>	<u>\$ 160,964,167</u>	<u>\$ 5,542,731</u>	<u>3.44%</u>

The increase in Local Sources is attributed to increases in the local tax levy.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2017 and the amount and percentage of increases (decreases) in relation to prior year amounts.

Comparative Summary of Expenditures

<u>Expenditures</u>	<u>June 30,</u> <u>2017</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>June 30,</u> <u>2016</u>	<u>Increase/</u> <u>(Decrease)</u> <u>from 2016</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
Current Expenditures					
Instruction	\$ 66,251,576	39.83%	\$ 64,596,014	\$ 1,655,562	2.56%
Undistributed	95,615,353	57.48%	89,417,541	6,197,812	6.93%
Capital Outlay	1,676,435	1.01%	1,667,608	8,827	0.53%
Special Schools	167,853	0.10%	119,207	48,646	40.81%
Debt Service	2,644,833	1.59%	2,970,218	(325,385)	-10.95%
	<u>\$166,356,050</u>	<u>100.00%</u>	<u>\$158,770,588</u>	<u>\$7,585,462</u>	<u>4.78%</u>

The increase in Current Instruction is attributed to the costs of salaries of teachers and to serve increased enrollments.

The major Increases for Undistributed Expenditures are attributable to the following increased costs:

- Pupil Transportation Increases.
- Operation and Maintenance of Plant Services increases.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

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

During the course of the fiscal year 2017, the district amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education. Transfers were necessitated by:

- Operation and Maintenance of Plant increased energy costs, maintenance and contracted services.
- Out of District tuition increased student placements for special and regular programs.
- Special Education increased related service costs for in district classified students.
- Special Education increased staffing needs for mandated programs.

At the end of the fiscal year 2017, the District had \$213,800,830 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2017 balances compared to 2016.

Table 4 - Capital Assets at June 30

	<u>2017</u>	<u>2016</u>
Land/Sites	\$ 30,823,538	\$ 32,785,516
Site Improvements	12,883,748	10,782,419
Buildings and Improvements	147,931,482	147,016,858
Machinery and Equipment	22,162,062	21,941,639
	_____	_____
Totals	<u>\$213,800,830</u>	<u>\$ 212,526,432</u>

Overall capital assets increased \$1,274,371 from fiscal year 2016 to fiscal year 2017. The increases in capital assets were due primarily to the improvements made in the District during 2017.

OLD BRIDGE TOWNSHIP PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED (CONTINUED)

For the Future

The Old Bridge Township Public School District is financially sound and is able to meet all instructional programs and service requirements.

The district priorities are to develop a community input driven Strategic Plan which engages community members to identify future district needs relating to our growing diverse population. We will also continue to increase learning opportunities for students in multiple subgroups prevalent in our diverse school district population inclusive of our special needs transition students and our middle school struggling learners with a Response to Interventions Framework. Lastly, we are proceeding with infrastructure improvements as prescribed by the Energy Savings & Improvement Plan (ESIP).

In terms of reserves, the district on June 30, 2017 had \$5,959,509.87 in Capital Reserves and \$3,004,084.35 in Maintenance Reserves.

Capital Reserves will be used to fund projects on the district Long Range Facilities Plan and Capital Outlay projects

Maintenance Reserves will be used to supplement annual budgets to fund required maintenance projects

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Joseph J. Marra, School Business Administrator/Board Secretary, Old Bridge Township Public Schools, Patrick A. Torre Administration Building, 4207 Route 516, Matawan, NJ 07747.

BASIC FINANCIAL STATEMENTS

A. DISTRICT-WIDE FINANCIAL STATEMENTS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

A-1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,735,329.45	\$	\$ 5,735,329.45
Receivables - Net	3,888,750.17	154,268.39	4,043,018.56
Receivables - Interfunds	6,926.80		6,926.80
Inventory		25,084.58	25,084.58
Restricted Assets:			
Capital Reserve Account - Cash	5,959,509.87		5,959,509.87
Emergency Reserve Account - Cash	502,003.84		502,003.84
Maintenance Reserve Account - Cash	3,004,084.35		3,004,084.35
Deferred Charge - Bond Issuance Costs	103,168.28		103,168.28
Capital Assets, Net	<u>125,338,518.43</u>	<u>72,952.55</u>	<u>125,411,470.98</u>
Total Assets	<u>144,538,291.19</u>	<u>252,305.52</u>	<u>144,790,596.71</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>16,108,395.00</u>		<u>16,108,395.00</u>
LIABILITIES			
Cash Overdraft	\$	\$ 200,183.70	\$ 200,183.70
Accounts Payable	1,988,904.86	164,678.47	2,153,583.33
Due to State of New Jersey	49,175.59		49,175.59
Accrued Interest Payable	595,468.75		595,468.75
Deferred Inflows	249,667.17		249,667.17
Noncurrent Liabilities:			
Net Pension Liability	51,884,555.00		51,884,555.00
Due Within One Year	1,777,314.17		1,777,314.17
Due Beyond One Year	<u>38,364,763.66</u>		<u>38,364,763.66</u>
Total Liabilities	<u>94,909,849.20</u>	<u>364,862.17</u>	<u>95,274,711.37</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount Related to Pension	<u>464,298.00</u>		<u>464,298.00</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	84,704,140.13	72,952.55	84,777,092.68
Restricted for:			
Capital Projects	5,959,509.87		5,959,509.87
Debt Service	8,750.53		8,750.53
Other Purposes	11,018,051.36		11,018,051.36
Unrestricted	<u>(36,417,912.90)</u>	<u>(185,509.20)</u>	<u>(36,603,422.10)</u>
Total Net Position	<u>\$ 65,272,538.99</u>	<u>\$ (112,556.65)</u>	<u>\$ 65,159,982.34</u>

See accompanying notes to financial statements.

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

A-2

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 68,325,303.25	\$	\$10,194,303.24	\$ (58,131,000.02)	\$	\$ (58,131,000.02)
Special Education	20,435,570.90		2,563,009.88	(17,872,561.02)		(17,872,561.02)
Other Special Instruction	5,844,729.93		834,077.73	(5,010,652.19)		(5,010,652.19)
Other Instruction	2,300,718.33		325,386.90	(1,975,331.43)		(1,975,331.43)
Community Service Programs	7,958.62			(7,958.62)		(7,958.62)
Support Services:						
Tuition	4,881,776.58			(4,881,776.58)		(4,881,776.58)
Student and Instruction Related Services	20,651,205.09		2,585,513.01	(18,065,692.07)		(18,065,692.07)
School Administrative Services	7,945,752.29		1,034,891.26	(6,910,861.04)		(6,910,861.04)
General Administrative Services	5,440,844.85		193,212.40	(5,247,632.45)		(5,247,632.45)
Plant Operations and Maintenance	21,514,128.20			(21,514,128.20)		(21,514,128.20)
Pupil Transportation	12,645,257.61			(12,645,257.61)		(12,645,257.61)
Charter Schools	245,518.95			(245,518.95)		(245,518.95)
Debt Service:						
Interest	924,833.00			(924,833.00)		(924,833.00)
Total Governmental Activities	171,163,597.60		17,730,394.43	(153,433,203.17)		(153,433,203.17)
Business-Type Activities:						
Food Service	3,207,252.67	1,681,576.40	1,301,955.18		(223,721.09)	(223,721.09)
Total Business-Type Activities	3,207,252.67	1,681,576.40	1,301,955.18		(223,721.09)	(223,721.09)
Total Primary Government	\$ 174,370,850.27	\$ 1,681,576.40	\$ 19,032,349.61	\$ (153,433,203.17)	\$ (223,721.09)	\$ (153,656,924.26)
General Revenues						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 93,715,445.00	\$	\$ 93,715,445.00
Property Taxes, Levied for Debt Service				2,644,833.00		2,644,833.00
Federal and State Aid Not Restricted				51,631,436.13		51,631,436.13
Miscellaneous Income				784,789.72	92,656.87	877,446.59
Total General Revenues, Special Items, Extraordinary Items and Transfers				148,776,503.85	92,656.87	148,869,160.72
Change in Net Position				(4,656,699.32)	(131,064.22)	(4,787,763.54)
Net Position - Beginning				69,929,238.31	18,507.57	69,947,745.88
Net Position - Ending				\$ 65,272,538.99	\$ (112,556.65)	\$ 65,159,982.34

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

B-1

	<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	\$ 6,049,062.44	\$	\$	\$ 8,750.53	\$ 6,057,812.97
Cash - Capital Reserve Account	5,959,509.87				5,959,509.87
Cash - Maintenance Reserve Account	3,004,084.35				3,004,084.35
Cash - Emergency Reserve Account	502,003.84				502,003.84
Due from Other Funds	6,926.80				6,926.80
Accounts Receivable - Other	154,903.86	11,261.59	37,500.00		203,665.45
Accounts Receivable - State	2,604,780.92	5,064.00			2,609,844.92
Accounts Receivable - Federal		487,739.80	587,500.00		1,075,239.80
Total Assets	<u>\$ 18,281,272.08</u>	<u>\$ 504,065.39</u>	<u>\$ 625,000.00</u>	<u>\$ 8,750.53</u>	<u>\$ 19,419,088.00</u>
LIABILITIES					
Cash Overdraft	\$	\$ 106,039.81	\$ 216,443.71	\$	\$ 322,483.52
Accounts Payable	1,498,478.15	310,874.81	179,551.90		1,988,904.86
Due to Fiscal Agent	211,691.99				211,691.99
Due to State of New Jersey		49,175.59			49,175.59
Deferred Revenue		37,975.18			37,975.18
Total Liabilities	<u>1,710,170.14</u>	<u>504,065.39</u>	<u>395,995.61</u>		<u>2,610,231.14</u>
FUND BALANCES					
Restricted for:					
Capital Reserve Account	5,959,509.87				5,959,509.87
Maintenance Reserve Account	3,004,084.35				3,004,084.35
Emergency Reserve Account	502,003.84				502,003.84
Assigned - Designated for Subsequent Year's Expenditures	1,679,140.11		229,004.39		1,908,144.50
Assigned - ARRA/SEMI Reserve	10,435.21				10,435.21
Excess Surplus - Prior Year - Designated for Subsequent Years' Expenditures	2,901,175.89				2,901,175.89
Excess Surplus - Current Year	2,648,588.21				2,648,588.21
Committed to:					
Year Ended Encumbrances	43,619.36				43,619.36
Unassigned, Reported in:					
General Fund	(177,454.90)				(177,454.90)
Debt Service Fund				8,750.53	8,750.53
Total Fund Balances	<u>16,571,101.94</u>		<u>229,004.39</u>	<u>8,750.53</u>	<u>16,808,856.86</u>
Total Liabilities and Fund Balance	<u>\$ 18,281,272.08</u>	<u>\$ 504,065.39</u>	<u>\$ 625,000.00</u>	<u>\$ 8,750.53</u>	<u>\$ 19,419,088.00</u>

Total Fund Balances Above \$ 16,808,856.86

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 costs of the assets is \$213,800,830.43 and the accumulated depreciation is \$88,462,312.00. (See Note 5). 125,338,518.43

The costs associated with the issuance of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance cost is \$111,356.24 and accumulated amortization is \$8,187.96. (See Note 15). 103,168.28

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 6). (40,142,077.83)

Deferred outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7). 16,108,395.00

Deferred inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (See Note 7). (464,298.00)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 7). (51,884,555.00)

Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance. (595,468.75)

Net Position of Governmental Activities (A-1) \$ 65,272,538.99

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	93,715,445.00	\$	\$	\$2,644,833.00	\$ 96,360,278.00
Tuition	30,608.41				30,608.41
Interest on Capital Reserve Account	10,750.64				10,750.64
Miscellaneous	691,022.69				691,022.69
Private Sources		14,907.98	37,500.00		52,407.98
Total Local Sources	<u>94,447,826.74</u>	<u>14,907.98</u>	<u>37,500.00</u>	<u>2,644,833.00</u>	<u>97,145,067.72</u>
State Sources	64,862,885.43	501,610.06			65,364,495.49
Federal Sources	165,881.27	3,243,953.80	587,500.00		3,997,335.07
Total Revenues	<u>159,476,593.44</u>	<u>3,760,471.84</u>	<u>625,000.00</u>	<u>2,644,833.00</u>	<u>166,506,898.28</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	43,721,243.41	2,990,455.85			46,711,699.26
Special Education Instruction	13,971,108.75				13,971,108.75
Other Special Instruction	3,995,844.20				3,995,844.20
Other Instruction	1,572,923.32				1,572,923.32
Community Service Programs	5,441.04				5,441.04
Support Services and Undistributed Costs:					
Tuition	3,337,505.56				3,337,505.56
Student and Instruction Related Services	13,348,514.56	770,015.99			14,118,530.55
General Administrative Services	2,111,456.89				2,111,456.89
School Administrative Services	5,432,242.14				5,432,242.14
Other Administrative Services	1,608,264.74				1,608,264.74
Plant Operations and Maintenance	14,708,481.90				14,708,481.90
Pupil Transportation	8,645,135.00				8,645,135.00
Employee Benefits	45,648,295.48				45,648,295.48
Charter School	167,853.00				167,853.00
Debt Service:					
Principal				1,720,000.00	1,720,000.00
Interest				924,833.00	924,833.00
Capital Outlay	1,280,439.21		395,995.61		1,676,434.82
Total Expenditures	<u>159,554,749.20</u>	<u>3,760,471.84</u>	<u>395,995.61</u>	<u>2,644,833.00</u>	<u>166,356,049.65</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	(78,155.76)		229,004.39		150,848.63
Fund Balance July 1	<u>16,649,257.70</u>			<u>8,750.53</u>	<u>16,658,008.23</u>
Fund Balance June 30	<u>\$ 16,571,101.94</u>	<u>\$ -</u>	<u>\$229,004.39</u>	<u>\$ 8,750.53</u>	<u>\$ 16,808,856.86</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

B-3

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ 150,848.63
<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 capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (4,854,076.00)
Capital Outlays		<u>1,517,002.82</u>
		(3,337,073.18)
<p>Repayment of Bond 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>		
		1,720,000.00
<p>Bond Issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.</p>		
		(6,550.37)
<p>Premium on the sale of bonds are reported in the governmental funds as revenue in the year the bonds are issued. However, on the statement of activities, the revenue is amortized over the life of the bonds</p>		
		203,470.73
<p>Repayment of Capital Lease 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>		
		110,405.56
<p>Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.</p>		
		(3,456,412.00)
Decrease in Compensated Absences		232,015.68
Increase in Accrued Interest Payable		<u>(273,404.37)</u>
Change in Net Position of Governmental Activities	A-2	<u>\$ (4,656,699.32)</u>

PROPRIETARY FUNDS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

B-4

	<u>Business-Type Activities Enterprise Funds</u> <u>Food Service</u>
 <u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ (200,183.70)
Accounts Receivable:	
State Sources	4,438.77
Federal Sources	57,415.31
Other Sources	92,414.31
Inventories:	
Regular	24,832.66
Food Distribution Program Commodities	251.92
Total Current Assets	(20,830.73)
Noncurrent Assets:	
Furniture, Machinery and Equipment	466,208.80
Less: Accumulated Depreciation	(393,256.25)
Total Noncurrent Assets	72,952.55
Total Assets	\$ 52,121.82
 <u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 164,678.47
 <u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	\$ 72,952.55
Unrestricted	(185,509.20)
Total Net Position	\$ (112,556.65)

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

B-5

	Business-Type Enterprise Funds <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 920,877.57
Daily Sales - Non-reimbursable Programs	691,935.00
Special Functions	68,763.83
Total Operating Revenues	<u>1,681,576.40</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	726,672.00
Cost of Sales - Non-reimbursable Programs	196,038.70
Food Distribution Program	197,292.60
Salaries	1,156,907.26
Payroll Taxes	234,874.60
Purchased Professional and Technical Services	156,825.00
Management Fee	131,200.00
Repairs and Maintenance	136,362.26
Supplies and Materials	137,805.15
Miscellaneous	120,116.70
Depreciation	13,158.40
Total Operating Expenses	<u>3,207,252.67</u>
Operating Loss	<u>(1,525,676.27)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	30,986.27
Federal Sources:	
National School Breakfast Program	89,013.15
National School Lunch Program	984,663.16
Food Distribution Program	197,292.60
Food Service Company Contribution	92,414.31
Interest Revenue	242.56
Total Nonoperating Revenues	<u>1,394,612.05</u>
Loss before Operating Transfers	<u>(131,064.22)</u>
Change in Net Position	(131,064.22)
Total Net Position - Beginning	<u>18,507.57</u>
Total Net Position - Ending	<u>\$ (112,556.65)</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

B-6

	Business-Type Activities Enterprise Funds <u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,764,276.32
Payments to Suppliers	<u>(3,036,011.73)</u>
Net Cash Used by Operating Activities	<u>(1,271,735.41)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	30,207.03
Federal Sources	1,073,565.85
Other Sources	<u>93,304.01</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,197,076.89</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>242.56</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(74,415.96)
Balances - Beginning of Year	<u>(125,767.74)</u>
Balances - End of Year	<u>\$ (200,183.70)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	<u>\$(1,525,676.27)</u>
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	13,158.40
Federal Commodities	197,292.60
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	82,699.92
(Increase)/Decrease in Inventory	11,345.71
Increase/(Decrease) in Accounts Payable	<u>(50,555.77)</u>
Total Adjustments	<u>253,940.86</u>
Net Cash Used by Operating Activities	<u>\$(1,271,735.41)</u>

FIDUCIARY FUNDS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017

B-7

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$ 243,939.51</u>	<u>\$ 1,291,853.23</u>
 <u>LIABILITIES</u>		
Payable to Student Groups		\$ 501,572.61
Payroll Deductions and Withholdings		783,353.82
Interfunds Payable		<u>6,926.80</u>
Total Liabilities		<u>\$ 1,291,853.23</u>
 <u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 243,939.51</u>	

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

B-8

	<u>Unemployment Compensation Trust Fund</u>
<u>Additions</u>	
Contributions:	
Payroll Deductions	\$ 220,652.54
Board Contributions	2,661.00
Investment Earnings:	
Interest	<u>410.18</u>
Total Additions	<u>223,723.72</u>
 <u>Deductions</u>	
Quarterly Contribution Reports	89,597.77
Unemployment Claims	<u>88,886.07</u>
Total Deductions	<u>178,483.84</u>
Change in Net Position	45,239.88
Total Net Position - Beginning	<u>198,699.63</u>
Total Net Position - Ending	<u><u>\$ 243,939.51</u></u>

NOTES TO FINANCIAL STATEMENTS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Old Bridge Township School District (the "District") is a Type II District located in the County of Middlesex, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2017 of 8,905.5 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

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

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund - The General Fund is the general operating fund of the 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 noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. **Fund Accounting (Continued)**

1. **Governmental Funds (Continued)**

General Fund (Continued)

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

2. **Proprietary Fund Type**

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Fund of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. **Fund Accounting (Continued)**

2. **Proprietary Fund Type (Continued)**

Enterprise Fund (Continued)

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Machinery and Equipment	5 - 12 Years

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

3. **Fiduciary Funds**

Fiduciary Fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

Unemployment Insurance Trust - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. These funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

B. *Fund Accounting (Continued)*

4. *Long-Term Debt*

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

C. *Measurement Focus*

1. *Government-Wide Financial Statements*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

2. *Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

D. *Basis of Accounting*

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

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 last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 159,492,078.44	\$3,760,471.84
Difference - Budget-to-GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements - current year.	(4,435,938.00)	
State aid payment recognized for budgetary purposes, recognized for GAAP statements - prior year.	<u>4,420,453.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 159,476,593.44</u>	<u>\$3,760,471.84</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 159,554,749.20	\$3,760,471.84
Difference - Budget-to-GAAP	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 159,554,749.20</u>	<u>\$3,760,471.84</u>

F. Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2017.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

H. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

I. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

J. Tuition Payable

Tuition charges for the fiscal years 2015-16 and 2016-17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Short-Term Interfund Receivables/Payables

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

L. **Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

M. **Deferred Outflows/Inflows of Resources**

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

N. **Compensated Absences**

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable 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.

P. Net Position

The District has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

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

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

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

Q. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

S. Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. Nonspendable - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- e. Unassigned - includes all spendable amounts not contained in the other classifications in 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 position unassigned fund balance amount. In the 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 both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

U. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

V. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

W. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

X. Extraordinary and Special Items

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

Y. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Y. Accounting and Financial Reporting for Pensions (Continued)

The District has also implemented GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Z. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB 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).

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Z. Other Accounting Standards (Continued)

- *GASB Statement No. 82. Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73.* Specifically, 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.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 83. Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 84. Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 85. Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The District does not expect this Statement to impact its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Z. Other Accounting Standards (Continued)

- *GASB Statement No. 86. Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 87. Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months, but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

Deposits

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

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

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

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

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

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits (Continued)

As of June 30, 2017, cash and cash equivalents (Deposits) of the District consisted of the following:

Checking and Money Market Accounts, Interest Bearing	<u>\$ 16,536,536.55</u>
--	-------------------------

Of the total amount, deposits of \$5,959,509.87 have been earmarked towards the Capital Reserve Account (See Note 4).

Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

The District had no securities as of June 30, 2017 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Resolution on October 10, 2000 by inclusion of \$100.00 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-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.

4. CAPITAL RESERVE ACCOUNT (Continued)

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		\$ 6,043,331.23
Increased by:		
Transfer by Board of Education	\$ 1,085,000.00	
Unexpended Project Balances		
Returned to Capital Reserve	250,428.00	
Interest Earned	<u>10,750.64</u>	
		<u>1,346,178.64</u>
		<u>7,389,509.87</u>
Decreased by:		
Budgeted Transfer to Capital Outlay		<u>1,430,000.00</u>
Ending Balance, June 30, 2017		<u><u>\$ 5,959,509.87</u></u>

5. CAPITAL ASSETS

Classification of Balances - June 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reallocation</u>	<u>Ending Balance</u>
Governmental Activities					
Nondepreciable:					
Sites	\$ 32,473,067.00	\$	\$	\$ (2,045,524.00)	\$ 30,427,543.00
Construction-in-Progress	312,448.83	83,546.78			395,995.61
	<u>32,785,515.83</u>	<u>83,546.78</u>		<u>(2,045,524.00)</u>	<u>30,823,538.61</u>
Depreciable:					
Site Improvements	10,782,419.00			2,101,329.00	12,883,748.00
Buildings and Improvements	147,016,858.05	970,429.00		(55,805.00)	147,931,482.05
Machinery and Equipment	21,941,638.73	463,027.04	(242,604.00)		22,162,061.77
	<u>179,740,915.78</u>	<u>1,433,456.04</u>	<u>(242,604.00)</u>	<u>2,045,524.00</u>	<u>182,977,291.82</u>
Total Assets	212,526,431.61	1,517,002.82	(242,604.00)	-	213,800,830.43
Less Accumulated Depreciation:					
Buildings and Improvements	<u>(83,850,840.00)</u>	<u>(4,854,076.00)</u>	<u>242,604.00</u>		<u>(88,462,312.00)</u>
Assets Net of Depreciation	<u>\$ 128,675,591.61</u>	<u>\$ (3,337,073.18)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,338,518.43</u>
Capital Outlay					
General		\$ 1,280,439.21			
Capital Projects		395,995.61			
		<u>1,676,434.82</u>			
Less: Debt		<u>(159,432.00)</u>			
Total Additions to Capital Assets		<u>\$ 1,517,002.82</u>			

Business-Type Activities

The following is a summary of Proprietary Fund type fixed assets at June 30, 2017:

Machinery and Equipment	\$ 466,208.80
Less: Accumulated Depreciation	<u>(365,269.74)</u>
Net Fixed Assets	<u>\$ 100,939.06</u>

6. LONG-TERM DEBT

Long-Term Liability Conversion Schedule - June 30, 2017

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due One Year</u>	<u>Long-Term Portion</u>
Compensated Absences	\$ 4,843,242.19	\$	\$ 232,015.68	\$ 4,611,226.51	\$	\$ 4,611,226.51
Lease Purchase Payable	462,681.10		110,405.56	352,275.54	113,843.44	238,432.10
Serial Bonds Payable	33,660,000.00		1,720,000.00	31,940,000.00	1,460,000.00	30,480,000.00
Premium on Bond Sale	<u>3,442,046.51</u>	<u> </u>	<u>203,470.73</u>	<u>3,238,575.78</u>	<u>203,470.73</u>	<u>3,035,105.05</u>
	<u>\$42,407,969.80</u>	<u>\$ -</u>	<u>\$2,265,891.97</u>	<u>\$40,142,077.83</u>	<u>\$1,777,314.17</u>	<u>\$38,364,763.66</u>

6. **LONG-TERM DEBT (Continued)**

A. **Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. Interest rates on outstanding bonds range from 2.00% to 5.00%.

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

<u>Year</u>	<u>Refunding 2016 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017-18	\$ 1,460,000.00	\$ 1,190,937.50	\$ 2,650,937.50
2018-19	1,500,000.00	1,153,837.50	2,653,837.50
2019-20	1,560,000.00	1,100,137.50	2,660,137.50
2020-21	1,625,000.00	1,036,437.50	2,661,437.50
2021-22	1,705,000.00	967,312.50	2,672,312.50
2022-23	1,780,000.00	891,137.50	2,671,137.50
2023-24	1,865,000.00	807,962.50	2,672,962.50
2024-25	1,950,000.00	728,237.50	2,678,237.50
2025-26	2,030,000.00	652,543.75	2,682,543.75
2026-27	2,110,000.00	571,325.00	2,681,325.00
2027-28	2,190,000.00	496,850.00	2,686,850.00
2028-29	2,260,000.00	430,100.00	2,690,100.00
2029-30	2,340,000.00	349,400.00	2,689,400.00
2030-31	2,430,000.00	254,000.00	2,684,000.00
2031-32	2,525,000.00	154,900.00	2,679,900.00
2032-33	2,610,000.00	52,200.00	2,662,200.00
	<u>\$ 31,940,000.00</u>	<u>\$ 10,837,318.75</u>	<u>\$ 42,777,318.75</u>

B. **Bonds Authorized but Not Issued**

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

C. **2002 Project School Bonds**

On January 15, 2002, the Board issued \$47,823,000 in School Bonds.

Redemption - The Bonds of this issue maturing prior to July 15, 2012 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after July 15, 2012 are redeemable at the option of the Board in whole or in part on any date on or after July 15, 2011 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board of a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

6. **LONG-TERM DEBT (Continued)**

C. **2002 Project School Bonds (Continued)**

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Authorization and Purpose - The Bonds have been authorized and are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented; (ii) a proposal adopted by the Board on August 21, 2001 and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on September 25, 2001; and (iii) a resolution adopted by the Board on December 18, 2001, which resolution sets forth the terms of the offering and sale of the Bonds.

Proceeds of the Bonds are being issued to construct, renovate and equip additions to the Old Bridge High School East Campus, to convert Old Bridge High School West Campus to a Middle School, to construct additions to, renovate, upgrade and equip all elementary schools, to undertake HVAC upgrades at Salk Middle School and to provide technology systems upgrades to all schools (the "Project"). The \$47,823,000 aggregate cost of the Project will be funded through a combination of the issuance of the Bonds and an approved grant in the amount of \$18,892,084 to be received from the State of New Jersey pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72.

Refunding Bond Sale - On September 19, 2006, the School District sold Refunding School Bonds in the sum of \$41,445,000.00. The School District will use the proceeds from the sale to retire previously issued debt resulting in a savings of overall debt service over the life of the Bonds.

On April 20, 2016, the School District sold Refunding School Bonds in the sum of \$32,215,000.00. The School District will use the proceeds from the sale to retire previously issued debt resulting in a savings of overall debt service over the life of the Bonds.

D. **Lease Purchase Agreement**

The Board has entered into a lease purchase agreement with Municipal Leasing Consultants, LLC. The details are as follows:

Date:	July 1, 2015
Period:	July 1, 2015 to January 20, 2020
Yield:	2.99%
Principal:	\$ 565,000.00
Interest	<u>54,280.30</u>
	<u>\$ 619,280.30</u>

6. **LONG-TERM DEBT (Continued)**

D. **Lease Purchase Agreement (Continued)**

The following is a schedule of the future minimum lease payments under the Lease Purchase Agreements:

<u>Year</u>	<u>Payment Amount</u>	<u>Interest Portion</u>	<u>Principal Portion</u>
June 30, 2018	\$ 123,856.06	\$ 10,012.62	\$ 113,843.44
June 30, 2019	123,856.06	6,467.68	117,388.38
June 30, 2020	<u>123,856.06</u>	<u>2,812.34</u>	<u>121,043.72</u>
	<u>\$ 371,568.18</u>	<u>\$ 19,292.64</u>	<u>\$ 352,275.54</u>

7. **PENSION PLANS**

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625.

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

7. PENSION PLANS (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.06% of employees' annual compensation, as defined.

7. PENSION PLANS (Continued)

Contribution Requirements (Continued)

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for both cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2017	\$ 1,556,312.00	\$ 1,556,312.00	100%
June 30, 2016	1,499,258.00	1,499,258.00	100%
June 30, 2015	1,468,193.00	1,468,193.00	100%

**Three-Year Trend Information for TPAF
(Paid On-Behalf of the District)**

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Long-Term Disability Insurance Contribution</u>	<u>Post-Retirement Medical Benefits</u>
June 30, 2017	\$7,004,277.00	100%	\$9,252.00	\$ 5,836,156.00
June 30, 2016	4,965,834.00	100%		5,912,936.00
June 30, 2015	3,348,915.00	100%		5,316,403.00

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$7,004,277.00 to the TPAF for normal pension, \$9,252.00 for Long-Term Disability Insurance and \$5,836,156.00 for post-retirement medical benefits On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$4,880,709.43 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

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

7. PENSION PLANS (Continued)

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the State's portion of the net pension liability that was associated with the district was \$487,915,473, as measured on June 30, 2016 and \$391,512,022, as measured on June 30, 2015.

For the year ended June 30, 2017, the district recognized pension expense of \$36,660,059 and revenue of \$36,660,059 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2017 is based upon changes in the collective net pension liability with a measurement period of June 30, 2015 through June 30, 2016. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2015 and June 30, 2016.

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources	\$ 17,440,003,201	\$ 7,521,378,257
Collective Deferred Inflows of Resources	195,027,919	554,399,005
Collective Net Pension Liability (Nonemployer - State of New Jersey)	78,666,367,052	63,204,270,305
State's Portion of the Net Pension Liability that was Associated with the District	487,915,473	391,512,022
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.6202338961%	0.6194391933%

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.65%

7. PENSION PLANS (Continued)

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

Actuarial Assumptions (Continued)

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.

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

Long-Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the most recent fiscal years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

7. **PENSION PLANS (Continued)**

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

Discount Rate (Continued)

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2017 (*measurement date June 30, 2016*) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease <u>2.22%</u>	At Current Discount Rate <u>3.22%</u>	At 1% Increase <u>4.22%</u>
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 585,365,438	\$ 487,915,473	\$ 412,419,865

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

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/qasb68-tpaf16.pdf>.

Pension Plan Fiduciary Net Position

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

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

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

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

At June 30, 2017, the District reported a liability of \$51,884,555 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 to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2015. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2016 and 2015. At June 30, 2016, the District's proportion was .1751842663%, which was a decrease of .1743867091% from its proportion measured as of June 30, 2015.

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

For the year ended June 30, 2017, the District recognized pension expense of \$5,069,687.00. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 964,895	\$
Changes of Assumptions	10,747,708	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,978,405	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	861,075	464,298
District Contributions Subsequent to the Measurement Date	<u>1,556,312</u>	
	<u>\$ 16,108,395</u>	<u>\$ 464,298</u>

The \$1,566,312 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017 the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability measured as of 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 as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2017	\$ 3,082,406.56
2018	3,082,406.56
2019	3,571,071.37
2020	3,000,222.19
2021	<u>954,902.48</u>
	<u>\$ 13,691,009.16</u>

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

Additional Information:

Collective balances at June 30, 2016 and 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources	\$ 8,685,338,300	\$ 3,578,755,666
Collective Deferred Inflows of Resources	870,133,595	993,410,455
Collective Net Pension Liability (Non-State - Local Group)	29,617,131,759	22,447,996,119
District's Portion of Net Pension Liability	51,884,555	39,146,322
District's Proportion Percentage	0.1751842663%	0.1743867091%

Actuarial Assumptions

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

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

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality 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).

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

7. *PENSION PLANS (Continued)*

Public Employees' Retirement System (PERS) (Continued)

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yields Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2016, calculated using the discount rate of 3.98%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.98%) or one percentage point higher (4.98%) than the current rate:

	<u>1% Decrease</u> <u>(2.98%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(3.98%)</u>	<u>1% Increase</u> <u>(4.98%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 63,578,466.00	\$ 51,884,555.00	\$ 42,230,217.00

Pension Plan Fiduciary Net Position

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

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past year are as follows:

<u>Year</u>	<u>School District</u>	<u>Employees</u>
2017	\$ 14,913.07	\$ 27,340.62

9. POST-RETIREMENT BENEFITS

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

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

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

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

10. COMPENSATED ABSENCES

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

10. COMPENSATED ABSENCES (Continued)

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Proprietary Fund types.

11. DEFERRED COMPENSATION

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

Thomas Seely	Lincoln Investment Planning, Inc.
Variable Annuity Life Insurance Company	Fidelity Investments
Vision Financial Services	USAA Insurance Company
VTA (American Skandia)	Vanguard
The Equitable	

12. RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$2,661.00	\$220,652.54	\$410.18	\$178,483.84	\$243,939.51
2016		212,411.47	232.80	149,082.13	198,699.63
2015		205,210.07	138.79	168,440.94	135,137.49

Workers' Compensation Insurance

The District's Workers' Compensation Claims are processed by Inservco Insurance Services. As of June 30, 2017, Inservco projects that the District will be liable for open claims in the amount of \$426,775.00.

13. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2017:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General:		
Due from Agency Trust Fund	\$ 6,926.80	\$
Agency Trust Fund:		
Due to General		<u>6,926.80</u>
	<u>\$ 6,926.80</u>	<u>\$ 6,926.80</u>

14. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2017 consisted of Federal Source, State Source, transportation, a capital project grant for the new high school and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business- Type Activities</u>
State Aid:		
General Fund:		
TPAF FICA Reimbursement	\$ 236,546.92	
Extraordinary Aid	2,227,413.00	
Nonpublic Transportation Aid	<u>140,821.00</u>	
	<u>\$ 2,604,780.92</u>	
Special Revenue Fund:		
State Source	<u>\$ 5,064.00</u>	
Federal Source	<u>\$ 487,739.80</u>	
Proprietary Fund:		
Enterprise Fund:		
State Source		<u>\$ 4,438.77</u>
Federal Source		<u>\$ 57,415.31</u>

15. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies and Food Distribution Program Commodities at June 30, 2017 of \$24,832.66 and \$251.92, respectively, is stated at lower of cost or market.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

16. DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (8 to 30 years). The costs associated with the issues of the various bonds amounted to \$111,356.24, accumulated amortization through June 30, 2017 was \$8,187.96.

17. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$16,571,101.94 General Fund fund balance at June 30, 2017, \$43,619.36 is reserved for encumbrances; \$2,648,588.21 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$5,959,509.87 has been reserved in the Capital Reserve Account; \$502,003.84 has been reserved in the Emergency Reserve Account; \$3,004,084.35 has been reserved in the Maintenance Reserve Account; \$10,435.21 is reserved in the ARRA/SEMI Reserve Account; \$1,679,140.11 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; \$2,901,175.89 is reserved as excess surplus designated for subsequent years' expenditures and \$(177,454.98) is unreserved and undesignated.

Debt Service Fund - Of the \$8,750.53 Debt Service Fund balance at June 30, 2017, \$8,750.53 is unreserved and undesignated.

18. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$177,454.90 in the General Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event that a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$177,454.90 is less than the last state aid payment.

19. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance as of June 30, 2017 is \$2,648,588.21.

20. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

21. CONTINGENT LIABILITIES

A. Litigation

The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

B. Federal and State Awards

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

22. 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.

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

23. SUBSEQUENT EVENT

The Old Bridge Township School District has evaluated subsequent events that occurred after the balance sheet date, but before October 27, 2017. No items were determined to require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

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

C-1
 Sheet #1

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Revenues</u>					
Local Sources:					
Tuition from Other Sources	\$ 168,380.00	\$ -	\$ 168,380.00	\$ 30,608.41	\$ (137,771.59)
Local Tax Levy	93,715,445.00		93,715,445.00	93,715,445.00	
Interest on Capital Reserve Account	5,000.00		5,000.00	10,750.64	5,750.64
Miscellaneous	400,675.00		400,675.00	691,022.69	290,347.69
Total - Local Sources	<u>94,289,500.00</u>		<u>94,289,500.00</u>	<u>94,447,826.74</u>	<u>158,326.74</u>
State Sources:					
Equalization Aid	36,713,533.00		36,713,533.00	36,713,533.00	
Special Educational Aid	5,572,334.00		5,572,334.00	5,572,334.00	
Security Aid	835,366.00		835,366.00	835,366.00	
Extraordinary Aid	946,238.00		946,238.00	2,227,413.00	1,281,175.00
Categorical Transportation Aid	958,933.00		958,933.00	958,933.00	
Nonpublic Transportation Aid				140,821.00	140,821.00
Adjustment Aid	437,066.00		437,066.00	437,066.00	
PARCC Readiness Aid	86,680.00		86,680.00	86,680.00	
Per Pupil Growth Aid	86,680.00		86,680.00	86,680.00	
Professional Learning Community Aid	89,150.00		89,150.00	89,150.00	
Nonbudgeted:					
On-Behalf Contributions:					
Medical Benefits Contribution				5,836,156.00	5,836,156.00
Pension Contribution				7,004,277.00	7,004,277.00
Non-Contributory Insurance Contribution				9,252.00	9,252.00
Reimbursed TPAF Social Security Contributions				4,880,709.43	4,880,709.43
Total - State Sources	<u>45,725,980.00</u>		<u>45,725,980.00</u>	<u>64,878,370.43</u>	<u>19,152,390.43</u>
Federal Sources:					
Medicare Reimbursement	122,300.00		122,300.00	155,446.06	33,146.06
Medicare Reimbursement - ARRA				10,435.21	10,435.21
Total - Federal Sources	<u>122,300.00</u>		<u>122,300.00</u>	<u>165,881.27</u>	<u>43,581.27</u>
Total Revenues	<u>\$ 140,137,780.00</u>	<u>\$ -</u>	<u>\$ 140,137,780.00</u>	<u>\$ 159,492,078.44</u>	<u>\$ 19,354,298.44</u>
<u>Expenditures</u>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 1,746,123.00	\$ 130,000.00	\$ 1,876,123.00	\$ 1,852,127.46	\$ 23,995.54
Grades 1 - 5	14,658,143.00	(276,612.00)	14,381,531.00	13,977,450.11	404,080.89
Grades 6 - 8	11,091,444.00	(204,572.00)	10,886,872.00	10,444,716.06	442,155.94
Grades 9 - 12	15,860,852.00	(120,143.00)	15,740,709.00	15,296,877.40	443,831.60
Home Instruction:					
Salaries of Teachers	90,000.00	23,000.00	113,000.00	112,875.63	124.37
Purchased Professional - Educational Services	60,000.00	(5,000.00)	55,000.00	12,778.63	42,223.37
Purchased Professional - Technical Services	14,000.00		14,000.00	12,490.40	1,509.60

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

C-1
Sheet #2

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Regular Programs - Undistributed Instruction:					
Other Purchased Services - Travel	\$ 23,492.00	\$ (185.00)	\$ 23,307.00	\$ 8,112.19	\$ 15,194.81
General Supplies	1,916,992.00	(33,304.23)	1,883,687.77	1,868,374.48	15,313.29
Textbooks	120,458.00	(9,139.90)	111,318.10	110,570.05	748.05
Other Objects - Miscellaneous	32,000.00		32,000.00	24,873.00	7,127.00
Total Regular Programs	45,613,504.00	(495,956.13)	45,117,547.87	43,721,243.41	1,396,304.46
Special Education:					
Autism:					
Salaries of Teachers	275,354.00	(15,000.00)	260,354.00	255,142.90	5,211.10
Other Salaries for Instruction	271,085.00	61,000.00	332,085.00	328,692.62	3,392.38
General Supplies	4,000.00		4,000.00	3,999.45	0.55
Textbooks	1,000.00		1,000.00	673.25	326.75
Total Autism	551,439.00	46,000.00	597,439.00	588,508.22	8,930.78
Learning/Language Disabilities:					
Salaries of Teachers	1,681,643.00	(165,000.00)	1,516,643.00	1,509,735.93	6,907.07
Other Salaries for Instruction	932,808.00	(20,000.00)	912,808.00	893,956.90	18,851.10
General Supplies	22,000.00	3,900.00	25,900.00	25,840.86	59.14
Textbooks	1,200.00		1,200.00	1,200.00	
Total Learning/Language Disabilities	2,637,651.00	(181,100.00)	2,456,551.00	2,430,733.69	25,817.31
Behavioral Disabilities:					
Salaries of Teachers	58,961.00	500.00	59,461.00	56,308.40	3,152.60
Other Salaries for Instruction	54,037.00	9,000.00	63,037.00	62,242.60	794.40
Total Behavioral Disabilities	112,998.00	9,500.00	122,498.00	118,551.00	3,947.00
Cognitive - Mild:					
Salaries of Teachers	68,056.00	(68,056.00)			
Other Salaries for Instruction	43,922.00	(43,922.00)			
General Supplies	5,000.00	(5,000.00)			
Total Cognitive - Mild	116,978.00	(116,978.00)			
Multiple Disabilities:					
Salaries of Teachers	361,400.00	(35,000.00)	326,400.00	318,784.66	7,615.34
Other Salaries for Instruction	253,099.00	51,000.00	304,099.00	302,547.53	1,551.47
General Supplies	3,000.00	5,000.00	8,000.00	7,999.12	0.88
Total Multiple Disabilities	617,499.00	21,000.00	638,499.00	629,331.31	9,167.69

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

C-1
 Sheet #3

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures					
Current Expense:					
Special Education:					
Resource Room/Resource Center:					
Salaries - Hourly ShopRite	\$	\$ 1,500.00	\$ 1,500.00	\$ 1,451.68	\$ 48.32
Salaries of Teachers	6,864,817.00	477,271.00	7,342,088.00	7,330,487.72	11,600.28
Other Salaries for Instruction	1,084,484.00	43,922.00	1,128,406.00	1,112,438.64	15,967.36
General Supplies	40,400.00	10,640.00	51,040.00	24,135.08	26,904.92
Textbooks	4,000.00	(2,640.00)	1,360.00	1,279.50	80.50
Total Resource Room/Resource Center	7,993,701.00	530,693.00	8,524,394.00	8,469,792.62	54,601.38
Preschool Disabilities Part-Time:					
Salaries of Teachers	613,576.00	53,000.00	666,576.00	662,973.15	3,602.85
Other Salaries for Instruction	355,545.00	72,000.00	427,545.00	420,817.52	6,727.48
Purchased Professional Services - Nurses	3,000.00		3,000.00		3,000.00
General Supplies	6,999.00		6,999.00	6,999.00	
Total Preschool Disabilities Part-Time	979,120.00	125,000.00	1,104,120.00	1,090,789.67	13,330.33
Preschool Disabilities Full-Time:					
Salaries of Teachers	167,195.00		167,195.00	164,614.00	2,581.00
Other Salaries for Instruction	226,384.00	22,000.00	248,384.00	246,176.95	2,207.05
Purchased Professional - Nurses	250.00		250.00		250.00
General Supplies	6,000.00	(1,900.00)	4,100.00	4,097.93	2.07
Total Preschool Disabilities Full-Time	399,829.00	20,100.00	419,929.00	414,888.88	5,040.12
Home Instruction:					
Salaries of Teachers	115,000.00	67,000.00	182,000.00	181,985.19	14.81
Purchased Professional - Educational Services	85,000.00	(27,000.00)	58,000.00	46,528.17	11,471.83
Total Home Instruction	200,000.00	40,000.00	240,000.00	228,513.36	11,486.64
Total Special Education	13,609,215.00	494,215.00	14,103,430.00	13,971,108.75	132,321.25
Basic Skills/Remedial:					
Salaries of Teachers	2,573,849.00		2,573,849.00	2,550,427.56	23,421.44
Other Salaries for Instruction	514,587.00		514,587.00	488,139.18	26,447.82
Other Purchased Services	1,350.00	(52.64)	1,297.36	784.04	513.32
General Supplies	34,000.00	761.66	34,761.66	34,747.53	14.13
Textbooks	7,500.00	(709.02)	6,790.98	6,771.45	19.53
Total Basic Skills/Remedial	3,131,286.00	-	3,131,286.00	3,080,869.76	50,416.24

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

C-1
 Sheet #4

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Bilingual Education:					
Salaries of Teachers	\$ 995,882.00	\$ (135,000.00)	\$ 860,882.00	\$ 860,078.72	\$ 803.28
Other Salaries for Instruction	71,520.00		71,520.00	47,066.20	24,453.80
Other Purchased Services	500.00		500.00	440.18	59.82
General Supplies	12,090.00		12,090.00	6,940.58	5,149.42
Textbooks	5,000.00		5,000.00	448.76	4,551.24
Total Bilingual Education	<u>1,084,992.00</u>	<u>(135,000.00)</u>	<u>949,992.00</u>	<u>914,974.44</u>	<u>35,017.56</u>
School Sponsored Cocurricular Activities:					
Salaries	245,353.00		245,353.00	241,549.16	3,803.84
Supplies and Materials	22,000.00		22,000.00	21,455.56	544.44
Total School Sponsored Cocurricular Activities	<u>267,353.00</u>		<u>267,353.00</u>	<u>263,004.72</u>	<u>4,348.28</u>
School Sponsored Athletics:					
Salaries	1,090,322.00	(26,000.00)	1,064,322.00	1,044,791.98	19,530.02
Purchased Services	9,000.00		9,000.00	9,000.00	
Travel	500.00	(500.00)			
Supplies and Materials	94,702.00	10,500.00	105,202.00	104,716.37	485.63
Transfers to Cover Deficit	91,259.00	16,000.00	107,259.00	107,259.00	
Total School Sponsored Athletics	<u>1,285,783.00</u>	<u>-</u>	<u>1,285,783.00</u>	<u>1,265,767.35</u>	<u>20,015.65</u>
Instructional Alternative Education Program - Instruction:					
Salaries of Teachers		50,400.00	50,400.00	44,151.25	6,248.75
Purchased Professional - Technical Services	32,219.00	(32,219.00)			
General Supplies	18,181.00	(18,181.00)			
Total Instructional Alternative Education Program - Instruction	<u>50,400.00</u>	<u>-</u>	<u>50,400.00</u>	<u>44,151.25</u>	<u>6,248.75</u>
Total - Instruction	<u>65,042,533.00</u>	<u>(136,741.13)</u>	<u>64,905,791.87</u>	<u>63,261,119.68</u>	<u>1,644,672.19</u>
Community Service Programs - Operations:					
Salaries	5,600.00		5,600.00	5,441.04	158.96
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	95,000.00	(40,000.00)	55,000.00	36,622.18	18,377.82
Tuition to Other LEA's Within the State - Special	1,629,919.00	(40,000.00)	1,589,919.00	1,523,524.65	66,394.35
Tuition to County Vocational School Districts - Regular	80,000.00	50,000.00	130,000.00	129,752.00	248.00
Tuition to CSSD and Regular Day Schools	46,842.00		46,842.00		46,842.00

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

C-1
 Sheet #5

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Handicapped W/ State	\$ 1,981,474.00	\$ (223,725.00)	\$ 1,757,749.00	\$ 1,615,300.73	\$ 142,448.27
Tuition - State Facilities	32,306.00		32,306.00	32,306.00	
Total Instruction	<u>3,865,541.00</u>	<u>(253,725.00)</u>	<u>3,611,816.00</u>	<u>3,337,505.56</u>	<u>274,310.44</u>
Attendance and Social Work Services:					
Salaries	191,956.00		191,956.00	180,103.36	11,852.64
Health Services:					
Salaries	1,452,888.00	142,000.00	1,594,888.00	1,587,855.71	7,032.29
Purchased Professional - Technical Services	61,000.00	(12,100.00)	48,900.00	48,626.44	273.56
Other Purchased Services	300.00	100.00	400.00	320.68	79.32
Supplies and Materials	50,000.00		50,000.00	47,817.99	2,182.01
Total Health Services	<u>1,564,188.00</u>	<u>130,000.00</u>	<u>1,694,188.00</u>	<u>1,684,620.82</u>	<u>9,567.18</u>
Other Support Services Students - Related Services:					
Salaries	1,282,403.00		1,282,403.00	1,180,217.44	102,185.56
Purchased Professional - Educational Services	1,121,000.00	105,900.00	1,226,900.00	1,214,156.97	12,743.03
Total Other Support Services Students - Related Services	<u>2,403,403.00</u>	<u>105,900.00</u>	<u>2,509,303.00</u>	<u>2,394,374.41</u>	<u>114,928.59</u>
Other Support Services Students - Extraordinary Services:					
Salaries	350,730.00	30,000.00	380,730.00	379,805.72	924.28
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	2,933,012.00		2,933,012.00	2,929,667.37	3,344.63
Salaries of Secretarial and Clerical Assistants	370,414.00	25,000.00	395,414.00	391,624.32	3,789.68
Other Purchased Professional and Technical Services	171,000.00	(3,135.00)	167,865.00	166,737.25	1,127.75
Total Other Support Services - Students - Guidance	<u>3,474,426.00</u>	<u>21,865.00</u>	<u>3,496,291.00</u>	<u>3,488,028.94</u>	<u>8,262.06</u>
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	2,217,318.00	101,000.00	2,318,318.00	2,316,554.20	1,763.80
Salaries of Secretarial and Clerical Assistants	491,822.00	(61,000.00)	430,822.00	428,108.70	2,713.30
Miscellaneous Purchased Services	10,000.00	1,020.00	11,020.00	10,432.33	587.67
Supplies and Materials	45,800.00	5,980.00	51,780.00	51,498.24	281.76
Total Other Support Services - Students - Child Study Teams	<u>2,764,940.00</u>	<u>47,000.00</u>	<u>2,811,940.00</u>	<u>2,806,593.47</u>	<u>5,346.53</u>

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

C-1
 Sheet #6

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 1,349,437.00	\$ 26,000.00	\$ 1,375,437.00	\$ 1,375,065.50	\$ 371.50
Salaries of Secretarial and Clerical Assistants	131,014.00	15,000.00	146,014.00	145,557.36	456.64
Other Purchased Services	1,000.00		1,000.00	149.00	851.00
Supplies and Materials	11,000.00	(11,000.00)			
Other Objects - Miscellaneous	3,000.00	2,000.00	5,000.00	4,814.00	186.00
Total Improvement of Instructional Services	<u>1,495,451.00</u>	<u>32,000.00</u>	<u>1,527,451.00</u>	<u>1,525,585.86</u>	<u>1,865.14</u>
Educational Media Services/School Library:					
Salaries	682,314.00	(59,000.00)	623,314.00	622,776.93	537.07
Supplies and Materials	28,173.00	(100.00)	28,073.00	25,091.81	2,981.19
Total Educational Media Services/School Library	<u>710,487.00</u>	<u>(59,100.00)</u>	<u>651,387.00</u>	<u>647,868.74</u>	<u>3,518.26</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	114,500.00	(71,923.67)	42,576.33	42,235.23	341.10
Purchased Professional - Educational Services	35,500.00	164,425.00	199,925.00	199,298.01	626.99
Total Instructional Staff Training Services	<u>150,000.00</u>	<u>92,501.33</u>	<u>242,501.33</u>	<u>241,533.24</u>	<u>968.09</u>
Support Services General Administration:					
Salaries	813,348.00		813,348.00	790,036.80	23,311.20
Legal Services	225,000.00	20,000.00	245,000.00	243,181.11	1,818.89
Accountants/Audit Fees	32,000.00		32,000.00	30,250.00	1,750.00
Architectural/Engineering Service	100,000.00	6,903.23	106,903.23	79,132.92	27,770.31
Other Purchased Professional Services	128,051.00		128,051.00	118,857.80	9,193.20
Communications/Telephone	378,370.00		378,370.00	376,349.63	2,020.37
BOE Other Purchased Services	7,000.00	2,000.00	9,000.00	6,143.16	2,856.84
Miscellaneous Purchased Services	465,777.00	(2,000.00)	463,777.00	346,126.52	117,650.48
General Supplies	119,000.00	9,800.00	128,800.00	94,401.25	34,398.75
Judgments	125,000.00		125,000.00		125,000.00
BOE Membership Fees and Dues	30,067.00		30,067.00	26,977.70	3,089.30
Total Support Services General Administration	<u>2,423,613.00</u>	<u>36,703.23</u>	<u>2,460,316.23</u>	<u>2,111,456.89</u>	<u>348,859.34</u>

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

C-1
 Sheet #7

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures					
Current Expense:					
Undistributed Expenditures:					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 3,325,253.00	\$ 45,000.00	\$ 3,370,253.00	\$ 3,362,120.25	\$ 8,132.75
Salaries of Other Professional Staff	325,000.00		325,000.00	284,775.51	40,224.49
Salaries of Secretarial and Clerical Assistants	1,790,770.00	(53,500.00)	1,737,270.00	1,720,075.49	17,194.51
Other Purchased Services - Travel	40,000.00		40,000.00	29,847.76	10,152.24
Other Objects	31,000.00	8,500.00	39,500.00	35,423.13	4,076.87
Total Support Services School Administration	5,512,023.00	-	5,512,023.00	5,432,242.14	79,780.86
Central Services:					
Salaries	872,990.00		872,990.00	869,503.48	3,486.52
Miscellaneous Purchased Services - Travel	5,500.00		5,500.00	5,057.19	442.81
Supplies and Materials	50,000.00		50,000.00	30,588.16	19,411.84
Total Central Services	928,490.00		928,490.00	905,148.83	23,341.17
Administrative Information Technology:					
Salaries	181,526.00	(12,000.00)	169,526.00	138,585.48	30,940.54
Purchased Professional Services	190,000.00	142,000.00	332,000.00	287,515.04	44,484.96
Other Purchased Services	6,500.00		6,500.00	2,801.16	3,698.84
Supplies and Materials	325,000.00	(25,434.00)	299,566.00	274,214.25	25,351.75
Total Administrative Information Technology	703,026.00	104,566.00	807,592.00	703,115.91	104,476.09
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	6,132,800.00	218,862.92	6,351,662.92	6,294,946.29	56,716.63
Custodial Services:					
Salaries	2,593,244.00	110,000.00	2,703,244.00	2,685,620.64	17,623.36
Rental of Land and Buildings Other than Lease	428,000.00	111,500.00	539,500.00	538,839.03	660.97
Other Purchased Property Services	431,000.00	12,454.43	443,454.43	411,426.33	32,028.10
Insurance	497,261.00	(74,306.00)	422,955.00	422,955.00	
Miscellaneous Purchased Services	5,625.00		5,625.00	576.96	5,048.04
General Supplies	376,000.00	26,000.00	402,000.00	391,773.11	10,226.89
Energy (Electricity)	2,000,000.00	(25,000.00)	1,975,000.00	1,712,638.78	262,361.22
Energy (Natural Gas)	1,000,000.00	(140,500.00)	859,500.00	665,325.16	194,174.84
Total Custodial Services	7,331,130.00	20,148.43	7,351,278.43	6,829,155.01	522,123.42

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

C-1
Sheet #8

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures					
Current Expense:					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Salaries	\$ 258,522.00	\$ 89,000.00	\$ 347,522.00	\$ 345,317.63	\$ 2,204.37
Cleaning, Repair, and Maintenance Services	425,715.00	(247,200.00)	178,515.00	178,203.21	311.79
Total Care and Upkeep of Grounds	<u>684,237.00</u>	<u>(158,200.00)</u>	<u>526,037.00</u>	<u>523,520.84</u>	<u>2,516.16</u>
Security:					
Salaries	300,000.00	(36,000.00)	264,000.00	253,453.86	10,546.14
Purchased Professional Services	500,000.00	36,000.00	536,000.00	535,392.06	607.94
Other Purchased Services	275,000.00		275,000.00	272,013.84	2,986.16
Total Security	<u>1,075,000.00</u>	<u>-</u>	<u>1,075,000.00</u>	<u>1,060,859.76</u>	<u>14,140.24</u>
Total Operation and Maintenance of Plant Services	<u>15,223,167.00</u>	<u>80,811.35</u>	<u>15,303,978.35</u>	<u>14,708,481.90</u>	<u>595,496.45</u>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Noninstructional Aides	336,467.00	(12,000.00)	324,467.00	298,597.56	25,869.44
Salaries for Pupil Transportation (Between Home and School) - Regular	736,564.00		736,564.00	709,640.27	26,923.73
Salaries for Pupil Transportation (Between Home and School) - Special Education	648,856.00	(30,000.00)	618,856.00	541,001.78	77,854.22
Salaries for Pupil Transportation (Other Than Between Home and School)	756,894.00	500.00	757,394.00	757,226.28	167.72
Salaries for Pupil Transportation (Nonpublic)	191,321.00		191,321.00	168,168.41	23,152.59
Purchased Professional and Technical Services	7,500.00	(1,900.00)	5,600.00	5,600.00	
Cleaning, Repair and Maintenance Services	75,000.00	4,900.00	79,900.00	76,422.41	1,477.59
Contracted Services (Between Home and School) - Vendors	3,675,000.00	74,553.00	3,749,553.00	3,675,928.27	73,624.73
Contracted Services (Other Than Between Home and School) - Vendors	65,000.00		65,000.00	57,824.58	7,175.42
Contracted Services (Between Home and School) - Joint Agreements	5,000.00	(2,600.00)	2,400.00	2,400.00	
Contracted Services - Special Education Students - Vendors	1,800,000.00	10,500.00	1,810,500.00	1,810,210.00	290.00
Contracted Services - Special Education Students Joint Agreement	45,000.00		45,000.00	11,256.90	33,743.10
Contracted Services - Aid-in-Lieu - Nonpublic	218,525.00	10,100.00	228,625.00	221,575.03	7,049.97
Contracted Services (Regular Students) - ECS and CTSA's	116,200.00	(116,200.00)			
Contracted Services (Special Education Students) - ECS and CTSA's	310,000.00	(310,000.00)			
Miscellaneous Purchased Services	107,147.00		107,147.00	107,147.00	
Transportation Supplies	265,000.00		265,000.00	200,136.51	64,863.49
Total Student Transportation Services	<u>8,987,327.00</u>	<u>-</u>	<u>8,987,327.00</u>	<u>8,645,135.00</u>	<u>342,192.00</u>

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

C-1
 Sheet #9

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures					
Current Expense:					
Undistributed Expenditures:					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,575,000.00	\$	\$ 1,575,000.00	\$ 1,557,081.03	\$ 17,918.97
TPAF Contributions - ERIP	1,555,000.00	8,913.00	1,563,913.00	1,563,913.00	
Other Retirement Contributions - Regular	18,000.00	16,087.00	32,087.00	21,571.63	10,515.37
Unemployment Benefits	75,000.00	(25,000.00)	50,000.00	12,483.00	37,517.00
Workers' Compensation Benefits	850,000.00	273,000.00	1,123,000.00	1,123,000.00	
Health Benefits	24,013,720.00	(131,000.00)	23,882,720.00	22,698,836.65	1,183,883.35
Employee Course Reimbursement	250,000.00		250,000.00	185,595.26	64,404.74
Other Employee Benefits	1,000,000.00	(243,925.00)	756,075.00	755,420.48	654.52
Total Unallocated Benefits - Employee Benefits	29,334,720.00	(101,925.00)	29,232,795.00	27,917,901.05	1,314,893.95
Nonbudgeted:					
On-Behalf Contributions:					
Medical Benefits Contribution				5,836,156.00	(5,836,156.00)
Pension Contribution				7,004,277.00	(7,004,277.00)
Non-Contributory Insurance Contribution				9,252.00	(9,252.00)
Reimbursed TPAF Social Security Contributions				4,880,709.43	(4,880,709.43)
Total Nonbudgeted				17,730,394.43	(17,730,394.43)
Total Undistributed Expenditures	80,089,088.00	266,596.91	80,355,684.91	94,845,337.31	(14,489,652.40)
Total Expenditures - Current Expense	145,131,621.00	129,855.78	145,261,476.78	158,106,456.99	(12,844,980.21)
Capital Outlay:					
Interest Deposit to Capital Reserve	5,000.00		5,000.00		5,000.00
Equipment:					
Undistributed Expenditures:					
Equipment Grades 1 - 5	48,333.00	36,368.41	84,701.41	19,158.00	65,543.41
Equipment Grades 6 - 8	18,333.00	(15,475.74)	2,857.26	2,857.26	
Equipment Grades 9 - 12	33,334.00	(33,334.00)			
Special Services		14,901.00	14,901.00	14,189.00	712.00
Administrative Information Technology	350,000.00	77,500.00	427,500.00	426,822.78	677.22
Construction Services	159,432.00		159,432.00	159,432.00	
Plant Services		63,225.17	63,225.17	62,614.17	611.00
Required Maintenance for School Facilities	980,000.00	(86,901.00)	893,099.00	595,366.00	297,733.00
Total Equipment	1,589,432.00	56,283.84	1,645,715.84	1,280,439.21	365,276.63

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

C-1
 Sheet #10

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Total Capital Outlay	\$ 1,594,432.00	\$ 56,283.84	\$ 1,650,715.84	\$ 1,280,439.21	\$ 370,276.63
Transfer of Funds to Charter Schools	152,628.00	15,225.00	167,853.00	167,853.00	-
Total Expenditures	<u>146,878,681.00</u>	<u>201,364.62</u>	<u>147,080,045.62</u>	<u>159,554,749.20</u>	<u>(12,474,703.58)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(6,740,901.00)	(201,364.62)	(6,942,265.62)	(62,670.76)	6,879,594.86
Fund Balances, July 1	<u>21,069,710.70</u>		<u>21,069,710.70</u>	<u>21,069,710.70</u>	
Fund Balances, June 30	<u>\$ 14,328,809.70</u>	<u>\$ (201,364.62)</u>	<u>\$ 14,127,445.08</u>	<u>\$ 21,007,039.94</u>	<u>\$ 6,879,594.86</u>
<u>Recapitulation of Fund Balance</u>					
Restricted Fund Balance:					
Assigned Fund Balance - Designated for Subsequent Years' Expenditures				\$ 1,879,140.11	
Reserve Excess Surplus Designated for Subsequent Years' Expenditures				2,901,175.89	
Assigned Fund Balance - ARRA/SEMI Reserve				10,435.21	
Reserve for Excess Surplus				2,648,588.21	
Capital Reserve				5,959,509.87	
Maintenance Reserve				3,004,084.35	
Emergency Reserve				502,003.84	
Committed Fund Balance:					
Year Ended Encumbrances				43,619.36	
Unassigned Fund Balance				<u>4,258,483.10</u>	
				21,007,039.94	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>4,435,938.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 16,571,101.94</u>	

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

C-2

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
State Sources	\$ 463,801.00	\$ 81,970.63	\$ 545,771.63	\$ 501,610.06	\$ 44,161.57
Federal Sources	2,686,383.00	689,279.02	3,375,662.02	3,243,953.80	131,708.22
Private Sources	<u>3,150,184.00</u>	<u>52,883.16</u>	<u>52,883.16</u>	<u>14,907.98</u>	<u>37,975.18</u>
		<u>824,132.81</u>	<u>3,974,316.81</u>	<u>3,760,471.84</u>	<u>213,844.97</u>
Expenditures					
Instruction:					
Salaries		298,234.52	298,234.52	183,146.50	115,088.02
Salaries of Teachers	1,025,674.00	(309,458.34)	716,215.66	715,493.66	722.00
Purchased Professional and Technical Services	72,181.00	(56,721.50)	15,459.50	15,459.50	
Tuition	1,781,211.00	23,346.00	1,804,557.00	1,804,557.00	
General Supplies	44,849.00	224,423.58	269,272.58	221,005.37	48,267.21
Textbooks	68,339.00	(15,598.00)	52,741.00	50,793.82	1,947.18
Total Instruction	<u>2,992,254.00</u>	<u>164,226.26</u>	<u>3,156,480.26</u>	<u>2,990,455.85</u>	<u>166,024.41</u>
Support Services:					
Salaries		19,072.00	19,072.00	18,476.00	596.00
Salaries for Teachers		139,826.08	139,826.08	137,445.60	2,380.48
Salaries of Other Professional Staff	107,844.00	(27,784.48)	80,059.52	80,059.52	
Personal Services - Employee Benefits		200,135.95	200,135.95	200,135.60	0.35
Purchased Professional and Technical Services	32,756.00	188,195.37	220,951.37	190,235.61	30,715.76
Other Purchased Professional Services		37,643.59	37,643.59	34,016.00	3,627.59
Contracted Service - Transportation (Home and School) - Vendors	17,330.00		17,330.00	17,330.00	
Travel		5,086.18	5,086.18	3,951.31	1,134.87
Supplies and Materials		97,731.86	97,731.86	88,366.35	9,365.51
Total Support Services	<u>157,930.00</u>	<u>659,906.55</u>	<u>817,836.55</u>	<u>770,015.99</u>	<u>47,820.56</u>
Total Expenditures	<u>3,150,184.00</u>	<u>824,132.81</u>	<u>3,974,316.81</u>	<u>3,760,471.84</u>	<u>213,844.97</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

C-3

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

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue"	[C-1]	\$ 159,492,078.44	[C-2]	\$ 3,760,471.84
Difference - Budget-to-GAAP:				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements - current year.		(4,435,938.00)		
State aid payment not recognized for budgetary purposes, recognized for GAAP statements - prior year.		<u>4,420,453.00</u>		<u> </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 159,476,593.44</u>	[B-2]	<u>\$ 3,760,471.84</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 159,554,749.20	[C-2]	\$ 3,760,471.84
Difference - Budget-to-GAAP		<u>None</u>		<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	[B-2]	<u>\$ 159,554,749.20</u>	[B-2]	<u>\$ 3,760,471.84</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST FOUR FISCAL YEARS
 (Unaudited)

L-1

	Fiscal Year Ending June 30,			
	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.1752%	0.1744%	0.1781%	0.1709%
District's proportionate share of the net pension liability (asset)	\$ 51,884,555	\$ 39,146,322	\$ 33,344,335	\$ 32,668,889
State's proportionate share of the net pension liability (asset) associated with the District	<u>29,617,131,759</u>	<u>22,447,996,119</u>	<u>18,722,735,003</u>	<u>19,111,986,911</u>
Total	<u>\$ 29,669,016,314</u>	<u>\$ 22,487,142,441</u>	<u>\$ 18,756,079,338</u>	<u>\$ 19,144,655,800</u>
District's covered-employee payroll	\$ 12,087,895	\$ 11,857,447	\$ 614,672	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	429.23%	330.14%	5424.74%	+
Plan fiduciary net position as a percentage of the total pension liability	40.13%	47.93%	52.08%	48.72%

*Data was not provided by School District.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST FOUR FISCAL YEARS
 (Unaudited)

L-2

	Fiscal Year Ending June 30,			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,556,312	\$ 1,499,258	\$ 1,468,193	\$ 1,284,324
Contributions in relation to the contractually required contribution	<u>(1,556,312)</u>	<u>(1,499,258)</u>	<u>(1,468,193)</u>	<u>(1,284,324)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$12,395,295	\$12,087,895	\$11,857,447	\$ 614,672
Contributions as a percentage of covered-employee payroll	12.56%	12.40%	12.38%	208.94%

*Data was not provided by School District.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
TEACHERS' PENSION AND ANNUITY FUND
LAST FOUR FISCAL YEARS
(Unaudited)

L-3

	Fiscal Year Ending June 30,			
	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.620%	0.619%	0.610%	0.610%
District's proportionate share of the net pension liability (asset)	\$ 487,915,473	\$ 391,512,022	\$ 327,811,808	\$ 309,975,505
State's proportionate share of the net pension liability (asset) associated with the District	<u>79,028,907,033</u>	<u>63,204,270,305</u>	<u>53,446,745,367</u>	<u>50,539,213,484</u>
Total	<u>\$ 79,516,822,506</u>	<u>\$ 63,595,782,327</u>	<u>\$ 53,774,557,175</u>	<u>\$ 50,849,188,989</u>
District's covered-employee payroll	\$ 63,971,317	\$ 62,821,388	\$ 62,041,476	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	762.71%	623.21%	528.38%	*
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

*Data was not provided by School District.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2017

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 7 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)

E. SPECIAL REVENUE FUND

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

E-1
Sheet #1

	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Chapter 192			Nonpublic Chapter 193		
				Public Transportation	Compensatory Education	Nonpublic ESL	Supplemental Instruction	Exam and Classification	Corrective Speech
REVENUES:									
State Sources	\$ 50,793.82	\$ 80,059.52	\$ 22,217.59	\$ 17,330.00	\$ 98,538.00	\$ 11,876.00	\$ 32,252.00	\$ 44,124.00	\$ 33,573.00
Federal Sources									
Private Sources									
Total Revenues	<u>\$ 50,793.82</u>	<u>\$ 80,059.52</u>	<u>\$ 22,217.59</u>	<u>\$ 17,330.00</u>	<u>\$ 98,538.00</u>	<u>\$ 11,876.00</u>	<u>\$ 32,252.00</u>	<u>\$ 44,124.00</u>	<u>\$ 33,573.00</u>
EXPENDITURES:									
Instruction:									
Salaries	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries for Teachers					98,538.00	11,876.00	32,252.00	10,108.00	
Purchased Professional - Technical Services									
Tuition									
General Supplies			22,217.59						33,573.00
Textbooks	50,793.82								
	<u>50,793.82</u>		<u>22,217.59</u>		<u>98,538.00</u>	<u>11,876.00</u>	<u>32,252.00</u>	<u>10,108.00</u>	<u>33,573.00</u>
Support Services:									
Salaries									
Salaries for Teachers									
Salaries of Other Professional Staff		80,059.52							
Personal Services - Employee Benefits									
Purchased Professional and Technical Services									
Other Purchased Professional Services								34,016.00	
Contracted Service - Transportation (Home and School) - Vendors				17,330.00					
Travel									
Supplies and Materials									
		<u>80,059.52</u>		<u>17,330.00</u>				<u>34,016.00</u>	
Total Expenditures	<u>\$ 50,793.82</u>	<u>\$ 80,059.52</u>	<u>\$ 22,217.59</u>	<u>\$ 17,330.00</u>	<u>\$ 98,538.00</u>	<u>\$ 11,876.00</u>	<u>\$ 32,252.00</u>	<u>\$ 44,124.00</u>	<u>\$ 33,573.00</u>

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

E-1
Sheet #2

	Home Instruction	Nonpublic Security	NJ Achievement Grant	Title I (Chapter 1)		Title IIA		Perkins Grant
				2017 Part A	2016 Part A	FY 2017	Carryover FY 2016	
REVENUES:								
State Sources	\$ 5,064.00	\$ 40,007.48	\$ 65,774.65	\$	\$	\$	\$	\$
Federal Sources				656,168.66	112,894.66	189,622.97	16,401.76	52,506.00
Private Sources								
Total Revenues	\$ 5,064.00	\$ 40,007.48	\$ 65,774.65	\$ 656,168.66	\$ 112,894.66	\$ 189,622.97	\$ 16,401.76	\$ 52,506.00
EXPENDITURES:								
Instruction:								
Salaries	\$ 5,064.00	\$	\$ 58,028.80	\$	\$ 104,499.40	\$	\$	\$
Salaries for Teachers				509,419.66				
Purchased Professional - Technical Services								15,459.50
Tuition								
General Supplies					401.26			36,896.50
Textbooks								
	<u>5,064.00</u>		<u>58,028.80</u>	<u>509,419.66</u>	<u>104,900.66</u>			<u>52,356.00</u>
Support Services:								
Salaries				7,476.00		9,735.00	1,265.00	
Salaries for Teachers						137,445.60		
Salaries of Other Professional Staff								
Personal Services - Employee Benefits			4,439.20	135,273.00	7,994.00	37,655.40		
Purchased Professional and Technical Services				4,000.00		4,393.70	9,213.33	150.00
Other Purchased Professional Services								
Contracted Service - Transportation (Home and School) - Vendors								
Travel			31.31					
Supplies and Materials		40,007.48	3,275.34			393.27	5,923.43	
		<u>40,007.48</u>	<u>7,745.85</u>	<u>146,749.00</u>	<u>7,994.00</u>	<u>189,622.97</u>	<u>16,401.76</u>	<u>150.00</u>
Total Expenditures	\$ 5,064.00	\$ 40,007.48	\$ 65,774.65	\$ 656,168.66	\$ 112,894.66	\$ 189,622.97	\$ 16,401.76	\$ 52,506.00

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

E-1
Sheet #3

	IDEA				Title III			Whole Kids Garden Grant
	Regular Program Part B	Preschool Handicapped	Carryover Part B	Carryover Preschool Handicapped	Immigration	FY 2017	Carryover FY 2016	
REVENUES:								
State Sources	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources	2,033,434.51	64,557.00	20,542.87	441.00	23,135.95	68,991.18	5,257.24	56.14
Private Sources								
Total Revenues	<u>\$ 2,033,434.51</u>	<u>\$ 64,557.00</u>	<u>\$ 20,542.87</u>	<u>\$ 441.00</u>	<u>\$ 23,135.95</u>	<u>\$ 68,991.18</u>	<u>\$ 5,257.24</u>	<u>\$ 56.14</u>
EXPENDITURES:								
Instruction:								
Salaries	\$	\$	\$	\$	\$ 9,460.10	\$ 59.32	\$ 4,534.88	\$
Salaries for Teachers						53,300.00		
Purchased Professional - Technical Services								
Tuition	1,740,000.00	64,557.00						
General Supplies	111,105.80				10,565.85	857.86	722.36	56.14
Textbooks	<u>1,851,105.80</u>	<u>64,557.00</u>			<u>20,025.95</u>	<u>54,217.18</u>	<u>5,257.24</u>	<u>56.14</u>
Support Services:								
Salaries								
Salaries for Teachers								
Salaries of Other Professional Staff						14,774.00		
Personal Services - Employee Benefits								
Purchased Professional and Technical Services	147,328.71		20,542.87		3,110.00			
Other Purchased Professional Services								
Contracted Service - Transportation (Home and School) - Vendors								
Travel								
Supplies and Materials	<u>35,000.00</u>			<u>441.00</u>				
	<u>182,328.71</u>		<u>20,542.87</u>	<u>441.00</u>	<u>3,110.00</u>	<u>14,774.00</u>		
Total Expenditures	<u>\$ 2,033,434.51</u>	<u>\$ 64,557.00</u>	<u>\$ 20,542.87</u>	<u>\$ 441.00</u>	<u>\$ 23,135.95</u>	<u>\$ 68,991.18</u>	<u>\$ 5,257.24</u>	<u>\$ 56.14</u>

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

E-1
Sheet #4

	<u>Downey Special Ed Grant</u>	<u>State House Express Grant</u>	<u>BJ'S Grant</u>	<u>CSMS Learning Commons Grant</u>	<u>Confucius Grant</u>	<u>CSMS Target Field Grant</u>	<u>CSMS Orchestra Program Grant</u>	<u>CSMS Civil War Grant</u>
REVENUES:								
State Sources	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources								
Private Sources	<u>50.02</u>	<u>300.00</u>	<u>53.41</u>	<u>2,770.89</u>	<u>3,978.98</u>	<u>447.00</u>	<u>750.00</u>	<u>1,997.87</u>
Total Revenues	<u>\$ 50.02</u>	<u>\$300.00</u>	<u>\$ 53.41</u>	<u>\$2,770.89</u>	<u>\$ 3,978.98</u>	<u>\$ 447.00</u>	<u>\$750.00</u>	<u>\$1,997.87</u>
EXPENDITURES:								
Instruction:								
Salaries	\$	\$	\$	\$	\$	\$	\$	\$
Salaries for Teachers								
Purchased Professional - Technical Services								
Tuition								
General Supplies			53.41	2,770.89	58.98			498.75
Textbooks			<u>53.41</u>	<u>2,770.89</u>	<u>58.98</u>			<u>498.75</u>
Support Services:								
Salaries								
Salaries for Teachers								
Salaries of Other Professional Staff								
Personal Services - Employee Benefits								
Purchased Professional and Technical Services		300.00				447.00	750.00	
Other Purchased Professional Services								
Contracted Service - Transportation (Home and School) - Vendors								
Travel					3,920.00			
Supplies and Materials	<u>50.02</u>							<u>1,499.12</u>
	<u>50.02</u>	<u>300.00</u>			<u>3,920.00</u>	<u>447.00</u>	<u>750.00</u>	<u>1,499.12</u>
Total Expenditures	<u>\$ 50.02</u>	<u>\$300.00</u>	<u>\$ 53.41</u>	<u>\$2,770.89</u>	<u>\$ 3,978.98</u>	<u>\$ 447.00</u>	<u>\$750.00</u>	<u>\$ 1,997.87</u>

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

E-1
Sheet #5

	U.S. Tennis Grant	Girls Who Code Grant	DCH S.A.D.D. Grant	Peer to Peer Grant	Sodexo Healthy Grant	<u>Totals</u> <u>2017</u>
REVENUES:						
State Sources	\$	\$	\$	\$	\$	\$ 501,610.06
Federal Sources						3,243,953.80
Private Sources	<u>500.08</u>	<u>226.90</u>	<u>1,500.00</u>	<u>1,776.69</u>	<u>500.00</u>	<u>14,907.98</u>
Total Revenues	<u>\$ 500.08</u>	<u>\$ 226.90</u>	<u>\$ 1,500.00</u>	<u>\$ 1,776.69</u>	<u>\$ 500.00</u>	<u>\$ 3,760,471.84</u>
EXPENDITURES:						
Instruction:						
Salaries	\$	\$	\$ 1,500.00	\$	\$	\$ 183,146.50
Salaries for Teachers						715,493.66
Purchased Professional - Technical Services						15,459.50
Tuition						1,804,557.00
General Supplies	500.08	226.90			500.00	221,005.37
Textbooks	<u>500.08</u>	<u>226.90</u>	<u>1,500.00</u>		<u>500.00</u>	<u>50,793.82</u>
						<u>2,990,455.85</u>
Support Services:						
Salaries						18,476.00
Salaries for Teachers						137,445.60
Salaries of Other Professional Staff						80,059.52
Personal Services - Employee Benefits						200,135.60
Purchased Professional and Technical Services						190,235.61
Other Purchased Professional Services						34,016.00
Contracted Service - Transportation (Home and School) - Vendors						17,330.00
Travel						3,951.31
Supplies and Materials						1,776.69
						<u>1,776.69</u>
Total Expenditures	<u>\$ 500.08</u>	<u>\$ 226.90</u>	<u>\$ 1,500.00</u>	<u>\$ 1,776.69</u>	<u>\$ 500.00</u>	<u>\$ 3,760,471.84</u>

F. CAPITAL PROJECTS FUND

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

F-1

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Budgetary Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Appropriation June 30, 2017</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Carl Sandburg Generator Project	March 16, 2016	\$ 625,000.00	<u>\$ -</u>	<u>\$ 395,995.61</u>	<u>\$ -</u>	<u>\$ 229,004.39</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

F-2

Revenues Sources:	
Federal Grant	\$ 587,500.00
Private Source	<u>37,500.00</u>
Total Revenues	<u>625,000.00</u>
 Expenditures and Other Financing Uses:	
Professional Services	41,643.71
Construction Services	<u>354,351.90</u>
Total Expenditures	<u>395,995.61</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	229,004.39
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ 229,004.39</u></u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGETARY BASIS
 CARL SANDBURG MIDDLE SCHOOL GENERATOR PROJECT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

F-2a

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
Federal Grant	\$	\$ 587,500.00	\$ 587,500.00	\$ 587,500.00
Private Source		<u>37,500.00</u>	<u>37,500.00</u>	<u>37,500.00</u>
Total Revenues		<u>625,000.00</u>	<u>625,000.00</u>	<u>625,000.00</u>
Expenditures and Other Financing Uses:				
Professional Services		41,643.71	41,643.71	75,000.00
Construction Services		<u>354,351.90</u>	<u>354,351.90</u>	<u>550,000.00</u>
Total Expenditures		<u>395,995.61</u>	<u>395,995.61</u>	<u>625,000.00</u>
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ 229,004.39</u>	<u>\$ 229,004.39</u>	<u>\$ -</u>

Additional Project Information:

Project Number	FEMA-DR-4086-NJ-486-R
Date	October 23, 2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 625,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 625,000.00
Percentage Increase/(Decrease) Over Original Authorized Cost	N/A
Original Target Completion Date	October 23, 2017
Revised Target Completion Date	N/A

G. PROPRIETARY FUNDS

ENTERPRISE FUND

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2017

G-1

	<u>Business-Type Activities Enterprise Funds</u> <u>Food Service</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ (200,183.70)
Accounts Receivable:	
State Sources	4,438.77
Federal Sources	57,415.31
Other Sources	92,414.31
Inventories:	
Regular	24,832.66
Food Distribution Program	
Commodities	<u>251.92</u>
Total Current Assets	<u>(20,830.73)</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	466,208.80
Less: Accumulated Depreciation	<u>(393,256.25)</u>
Total Noncurrent Assets	<u>72,952.55</u>
Total Assets	<u>\$ 52,121.82</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	<u>\$ 164,678.47</u>
<u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	\$ 72,952.55
Unrestricted	<u>(185,509.20)</u>
Total Net Position	<u>\$ (112,556.65)</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

G-2

	Business-Type Activities Enterprise Funds <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 920,877.57
Daily Sales - Nonreimbursable Programs	691,935.00
Special Functions	68,763.83
Total Operating Revenues	<u>1,681,576.40</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	726,672.00
Cost of Sales - Nonreimbursable Programs	196,038.70
Food Distribution Program	197,292.60
Salaries	1,156,907.26
Payroll Taxes	234,874.60
Purchased Professional and Technical Services	156,825.00
Management Fee	131,200.00
Repairs and Maintenance	136,362.26
Supplies and Materials	137,805.15
Miscellaneous	120,116.70
Depreciation	13,158.40
Total Operating Expenses	<u>3,207,252.67</u>
Operating Loss	<u>(1,525,676.27)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	30,986.27
Federal Sources:	
National School Breakfast Program	89,013.15
National School Lunch Program	984,663.16
Food Distribution Program	197,292.60
Food Service Company Contribution	92,414.31
Interest Revenue	242.56
Total Nonoperating Revenues	<u>1,394,612.05</u>
Loss before Operating Transfers	<u>(131,064.22)</u>
Change in Net Position	(131,064.22)
Total Net Position - Beginning	<u>18,507.57</u>
Total Net Position - Ending	<u><u>\$ (112,556.65)</u></u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

G-3

	<u>Business-Type Activities Enterprise Funds Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,764,276.32
Payments to Suppliers	<u>(3,036,011.73)</u>
Net Cash Used for Operating Activities	<u>(1,271,735.41)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	30,207.03
Federal Sources	1,073,565.85
Other Sources	<u>93,304.01</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,197,076.89</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>242.56</u>
Net Increase in Cash and Cash Equivalents	(74,415.96)
Balance - Beginning of Year	<u>(125,767.74)</u>
Balance - End of Year	<u>\$ (200,183.70)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	<u>\$ (1,525,676.27)</u>
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	13,158.40
Federal Commodities	197,292.60
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	82,699.92
(Increase)/Decrease in Inventory	11,345.71
Increase/(Decrease) in Accounts Payable	<u>(50,555.77)</u>
Total Adjustments	<u>253,940.86</u>
Net Cash Used by Operating Activities	<u>\$ (1,271,735.41)</u>

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017

H-1

	Unemployment Compensation Trust	Agency Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$243,939.51	\$1,291,853.23
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 501,572.61
Payroll Deductions and Withholdings		783,353.82
Interfunds Payable		6,926.80
Total Liabilities		\$1,291,853.23
<u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	\$243,939.51	

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

H-2

	<u>Unemployment Compensation Trust Fund</u>
<u>Additions</u>	
Contributions:	
Payroll Deductions	\$ 220,652.54
Board Contributions	2,661.00
Investment Earnings:	
Interest	<u>410.18</u>
Total Additions	<u>223,723.72</u>
 <u>Deductions</u>	
Quarterly Contribution Reports	89,597.77
Unemployment Claims	<u>88,886.07</u>
Total Deductions	<u>178,483.84</u>
Change in Net Position	45,239.88
Total Net Position - Beginning	<u>198,699.63</u>
Total Net Position - Ending	<u><u>\$ 243,939.51</u></u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

H-3

	<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>
Elementary Schools:				
Cheesequake	\$ 1,544.66	\$ 1,355.41	\$ 1,481.87	\$ 1,418.20
Cooper	1,179.02	212.14	130.00	1,261.16
Glenn	92.14	0.17		92.31
Grissom	14.95	0.03		14.98
Madison Park	213.28	0.38		213.66
McDivitt	14.22	0.03		14.25
Memorial	4,641.77	580.32	800.00	4,422.09
Miller	42.09	0.08		42.17
Schirra	3,164.89	360.74	500.00	3,025.63
Shepard	2,321.34	157.04		2,478.38
Southwood	320.26	0.58	280.00	40.84
General	26,341.72	47.47		26,389.19
General Interest	72.61	84.21	72.61	84.21
Elementary Enrichment	302.58	0.55		303.13
Total Elementary Schools	<u>40,265.53</u>	<u>2,799.15</u>	<u>3,264.48</u>	<u>39,800.20</u>
Junior High Schools:				
Jonas Salk	58,247.18	108,590.75	111,685.25	55,152.68
Jonas Salk Athletic Fund	386.35	8,295.87	8,295.50	386.72
Carl Sandburg	59,866.45	143,149.41	135,962.29	67,053.57
Carl Sandburg Athletic Fund	612.60	8,296.36	8,305.00	603.96
Total Junior High Schools	<u>119,112.58</u>	<u>268,332.39</u>	<u>264,248.04</u>	<u>123,196.93</u>
Senior High Schools:				
Athletic Fund	1,995.77	133,209.12	126,829.82	8,375.07
Project Graduation	7,710.53	33,856.79	30,757.24	10,810.08
Old Bridge High School	301,153.78	1,526,948.14	1,508,711.59	319,390.33
Total Senior High Schools	<u>310,860.08</u>	<u>1,694,014.05</u>	<u>1,666,298.65</u>	<u>338,575.48</u>
Total All Schools	<u>\$470,238.19</u>	<u>\$1,965,145.59</u>	<u>\$1,933,811.17</u>	<u>\$ 501,572.61</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

H-4

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$ 754,603.53</u>	<u>\$ 100,588,849.38</u>	<u>\$ 100,553,172.29</u>	<u>\$ 790,280.62</u>
 <u>LIABILITIES</u>				
Liabilities:				
Payroll Deductions and Withholdings	\$ 748,406.42	\$ 100,585,656.43	\$ 100,550,709.03	\$ 783,353.82
Due to General Fund	<u>6,197.11</u>	<u>3,192.95</u>	<u>2,463.26</u>	<u>6,926.80</u>
Total Liabilities	<u>\$ 754,603.53</u>	<u>\$ 100,588,849.38</u>	<u>\$ 100,553,172.29</u>	<u>\$ 790,280.62</u>

I. LONG-TERM DEBT

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF SERIAL BONDS
 LONG-TERM DEBT
 JUNE 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2016	Issued	Retired/Refunded	Balance June 30, 2017
			Date	Amount					
Refunding 2006 Bonds	1/15/2007	\$41,445,000.00				\$ 1,445,000.00	\$	\$1,445,000.00	\$
Refunding 2016 Bonds	7/15/2016	32,215,000.00	7/15/2016	\$ 275,000.00	2.000%				
			7/15/2017	1,460,000.00	2.000%				
			7/15/2018	1,500,000.00	3.000%				
			7/15/2019	1,560,000.00	4.000%				
			7/15/2020	1,625,000.00	4.000%				
			7/15/2021	600,000.00	3.000%				
			7/15/2021	1,105,000.00	5.000%				
			7/15/2022	495,000.00	3.000%				
			7/15/2022	1,285,000.00	5.000%				
			7/15/2023	300,000.00	3.000%				
			7/15/2023	1,565,000.00	5.000%				
			7/15/2024	920,000.00	2.250%				
			7/15/2024	1,030,000.00	5.000%				
			7/15/2025	850,000.00	2.375%				
			7/15/2025	1,180,000.00	5.000%				
			7/15/2026	890,000.00	2.500%				
			7/15/2026	1,220,000.00	5.000%				
			7/15/2027	2,190,000.00	3.000%				
			7/15/2028	2,260,000.00	3.000%				
			7/15/2029	2,340,000.00	4.000%				
			7/15/2030	2,430,000.00	4.000%				
			7/15/2031	2,525,000.00	4.000%				
			7/15/2032	2,610,000.00	4.000%				
						32,215,000.00		275,000.00	31,940,000.00
						<u>\$33,660,000.00</u>	\$ -	<u>\$1,720,000.00</u>	<u>\$31,940,000.00</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

I-3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	<u>\$2,644,833.00</u>	\$	<u>\$2,644,833.00</u>	<u>\$2,644,833.00</u>	\$
Total Revenues	<u>2,644,833.00</u>		<u>2,644,833.00</u>	<u>2,644,833.00</u>	
<u>Expenditures</u>					
Regular Debt Service:					
Redemption of Principal	1,720,000.00		1,720,000.00	1,720,000.00	
Interest Payment	<u>924,833.00</u>		<u>924,833.00</u>	<u>924,833.00</u>	
	<u>2,644,833.00</u>		<u>2,644,833.00</u>	<u>2,644,833.00</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures					
Fund Balance, July 1	<u>8,750.53</u>	<u> </u>	<u>8,750.53</u>	<u>8,750.53</u>	<u> </u>
Fund Balance, June 30	<u>\$ 8,750.53</u>	<u>\$ -</u>	<u>\$ 8,750.53</u>	<u>\$ 8,750.53</u>	<u>\$ -</u>

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

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

J-1

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$ 60,466,826	\$ 61,294,520	\$ 59,015,122	\$ 97,553,404	\$ 95,478,801	\$ 98,158,437	\$ 96,076,515	\$ 87,856,037	\$ 86,055,276	\$ 84,704,140
Restricted	8,179,398	10,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165	15,637,539	16,965,775	16,986,312
Unrestricted	<u>(7,972,236)</u>	<u>(9,480,469)</u>	<u>(783,437)</u>	<u>(7,699,776)</u>	<u>(7,481,561)</u>	<u>(5,834,546)</u>	<u>(6,247,986)</u>	<u>(32,831,713)</u>	<u>(33,091,813)</u>	<u>(36,417,913)</u>
Total Governmental Activities Net Assets	<u>\$ 60,673,987</u>	<u>\$ 62,241,469</u>	<u>\$ 66,638,219</u>	<u>\$ 100,696,223</u>	<u>\$ 102,959,481</u>	<u>\$ 103,721,371</u>	<u>\$ 103,931,694</u>	<u>\$ 70,661,863</u>	<u>\$ 69,929,238</u>	<u>\$ 65,272,539</u>
Business-Type Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$ 36,764	\$ 37,185	\$ 88,147	\$ 89,677	\$ 85,742	\$ 133,959	\$ 119,546	\$ 100,939	\$ 86,111	\$ 72,953
Unrestricted	<u>71,867</u>	<u>60,209</u>	<u>58,056</u>	<u>113,913</u>	<u>87,319</u>	<u>85,487</u>	<u>24,571</u>	<u>(12,766)</u>	<u>(67,803)</u>	<u>(185,509)</u>
Total Business-Type Activities Net Assets	<u>\$ 108,631</u>	<u>\$ 97,394</u>	<u>\$ 146,203</u>	<u>\$ 203,590</u>	<u>\$ 173,060</u>	<u>\$ 219,446</u>	<u>\$ 144,117</u>	<u>\$ 88,173</u>	<u>\$ 18,508</u>	<u>\$ (112,557)</u>
District-Wide:										
Invested in Capital Assets, Net of										
Related Debt	\$ 60,503,590	\$ 61,331,705	\$ 59,103,269	\$ 97,643,081	\$ 95,564,542	\$ 98,292,396	\$ 96,196,061	\$ 87,956,976	\$ 86,141,387	\$ 84,777,093
Restricted	8,179,397	13,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165	15,637,539	16,965,775	16,986,312
Unrestricted	<u>(7,900,369)</u>	<u>(9,420,260)</u>	<u>(725,381)</u>	<u>(7,585,864)</u>	<u>(7,394,242)</u>	<u>(5,749,059)</u>	<u>(6,223,415)</u>	<u>(32,844,480)</u>	<u>(33,159,416)</u>	<u>(36,603,422)</u>
Total District-Wide Net Assets	<u>\$ 60,782,618</u>	<u>\$ 65,338,863</u>	<u>\$ 66,784,422</u>	<u>\$ 100,899,812</u>	<u>\$ 103,132,541</u>	<u>\$ 103,940,816</u>	<u>\$ 104,075,811</u>	<u>\$ 70,750,036</u>	<u>\$ 69,947,746</u>	<u>\$ 65,159,982</u>

Source: School District Financial Reports

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 54,293,155	\$ 54,208,230	\$ 56,791,690	\$ 57,347,509	\$ 58,345,604	\$ 59,663,513	\$ 59,268,443	\$ 64,201,299	\$ 64,678,646	\$ 68,325,303
Special Education	12,050,955	12,925,300	13,627,108	15,449,963	15,985,185	17,356,430	17,717,024	16,125,545	18,697,978	20,435,571
Other Special Education	4,507,116	5,183,054	5,767,947	6,035,749	5,536,212	5,780,984	6,273,661	5,555,881	5,572,982	5,844,730
Other Instruction	1,745,260	1,750,868	1,807,658	1,726,949	1,849,871	2,179,542	2,085,265	2,172,084	2,240,691	2,300,718
Community Service Programs	4,244	6,439	6,702	6,940	2,499	7,581	7,684	8,919	8,161	7,959
Support Services:										
Tuition	6,742,207	6,554,588	5,209,497	6,790,882	5,388,205	5,059,644	5,299,676	5,204,505	4,890,565	4,881,777
Student and Instruction Related Services	15,206,386	15,333,654	16,889,548	17,228,198	16,940,914	18,273,878	18,371,983	16,690,974	19,426,559	20,051,205
School Administrative Services	9,535,762	9,649,693	9,802,092	10,618,290	10,917,476	7,484,734	7,440,669	7,667,189	7,807,823	7,945,752
General Administration	2,054,197	2,114,911	2,061,388	2,101,255	2,175,406	4,679,557	4,649,744	4,858,449	5,068,163	5,440,845
Plant Operations and Maintenance	16,829,016	16,159,345	17,464,338	17,109,257	16,915,285	16,960,375	16,197,607	19,684,664	19,498,062	21,514,128
Pupil Transportation	11,232,466	11,235,216	11,480,509	11,755,762	11,733,580	12,034,579	12,095,604	12,156,616	12,098,373	12,645,258
Special Schools	963,914	979,823	950,126	100,393	49,762	27,337	51,916	98,618	108,300	245,519
Interest on Long-Term Debt	2,066,998	2,066,350	1,917,686	1,860,838	1,809,389	1,759,300	1,729,969	1,636,307	2,011,587	924,833
	<u>\$ 139,240,697</u>	<u>\$ 141,666,095</u>	<u>\$ 143,985,289</u>	<u>\$ 148,168,784</u>	<u>\$ 147,449,487</u>	<u>\$ 151,257,453</u>	<u>\$ 151,189,436</u>	<u>\$ 160,111,053</u>	<u>\$ 161,699,792</u>	<u>\$ 171,163,588</u>
Business-Type Activities:										
Food Service	2,786,932	2,678,371	2,958,361	2,963,509	3,120,630	3,107,851	3,151,653	3,224,035	3,069,642	3,207,253
Community School	42,265	25,235	12,055	4,751	53,205					
	<u>2,829,197</u>	<u>2,703,607</u>	<u>2,970,417</u>	<u>2,968,260</u>	<u>3,173,835</u>	<u>3,107,851</u>	<u>3,151,653</u>	<u>3,224,035</u>	<u>3,069,642</u>	<u>3,207,253</u>
Total District Expenses	\$ 142,069,893	\$ 143,969,691	\$ 146,955,706	\$ 151,077,044	\$ 150,623,428	\$ 154,365,304	\$ 155,340,489	\$ 163,335,088	\$ 164,757,433	\$ 174,370,850
Program Revenues										
Governmental Activities:										
Charges for Services - Instruction	\$ 13,813,335	\$ 8,085,619	\$ 8,379,199	\$ 8,486,690	\$ 10,185,069	\$ 12,956,878	\$ 11,441,510	\$ 13,615,616	\$ 15,419,503	\$ 17,730,384
Operating Grants and Contributions										
Total Governmental Activities Program Revenue	13,813,335	8,085,619	8,379,199	8,486,690	10,185,069	12,956,878	11,441,510	13,615,616	15,419,503	17,730,384
Business-Type Activities:										
Charges for Food Service	2,025,536	1,979,930	1,827,421	2,021,891	1,880,604	1,763,335	1,808,854	1,751,020	1,697,266	1,681,676
Charges for Community School	45,557	13,577	8,903							
Operating Grants and Contributions	669,890	776,662	892,195	987,017	1,107,999	1,093,497	1,135,490	1,416,003	1,120,965	1,301,855
Total Business-Type Activities Program Revenue	2,740,983	2,768,169	2,728,520	3,008,907	2,988,603	2,856,832	2,944,344	3,167,023	2,818,231	2,983,530
Total District Program Revenues	\$ 16,554,318	\$ 10,853,788	\$ 11,107,719	\$ 11,495,597	\$ 13,173,672	\$ 15,843,710	\$ 14,385,854	\$ 16,782,639	\$ 18,237,734	\$ 20,713,914
Net (Expense)/Revenue	\$(125,427,261)	\$(133,000,378)	\$(135,607,090)	\$(139,622,004)	\$(137,264,418)	\$(135,290,474)	\$(141,747,925)	\$(148,495,237)	\$(146,277,280)	\$(153,433,203)
Business-Type Activities	\$(8,213)	\$(142,238)	\$(140,897)	40,647	\$(185,878)	\$(251,108)	\$(205,709)	\$(58,104)	\$(242,409)	\$(223,721)
Total District-Wide Net Expense	\$(125,485,574)	\$(133,142,614)	\$(135,747,987)	\$(139,581,447)	\$(137,450,266)	\$(138,541,582)	\$(141,953,634)	\$(148,553,341)	\$(146,519,689)	\$(153,656,924)
General Revenue and Other Changes in Net Assets										
Governmental Activities:										
General Purpose Property Taxes	\$ 83,269,211	\$ 83,083,096	\$ 83,644,545	\$ 84,320,510	\$ 86,006,920	\$ 84,938,261	\$ 88,091,965	\$ 89,823,234	\$ 91,137,544	\$ 93,715,445
Taxes Levied for Debt Service	2,503,564	2,911,113	2,938,594	2,947,219	2,947,969	2,954,118	2,958,969	2,922,103	2,970,218	2,644,833
Unrestricted Grants and Contributions	43,798,717	48,186,393	52,430,474	48,969,260	49,817,618	50,510,317	50,481,575	51,084,089	50,841,371	51,631,436
Miscellaneous	1,014,581	801,247	1,051,754	1,112,371	855,168	642,887	454,711	778,935	595,531	784,760
Loss on Temporary Note Pay-Off		(1,387,641)								
Asset Revaluation Adjustment				39,300,737						
Transfers		(6,350)	(61,526)							
	<u>130,595,073</u>	<u>134,507,857</u>	<u>140,003,840</u>	<u>173,680,098</u>	<u>139,627,676</u>	<u>139,052,364</u>	<u>141,258,250</u>	<u>144,606,341</u>	<u>145,544,604</u>	<u>148,776,501</u>
Business-Type Activities:										
Miscellaneous	55,477	124,851	128,180	16,739	155,340	297,494	130,379	160	172,744	92,657
Transfers		6,350	61,526							
	<u>55,477</u>	<u>131,001</u>	<u>189,706</u>	<u>16,739</u>	<u>155,340</u>	<u>297,494</u>	<u>130,379</u>	<u>160</u>	<u>172,744</u>	<u>92,657</u>
Total District-Wide	\$ 130,611,550	\$ 134,638,858	\$ 140,193,546	\$ 173,696,837	\$ 139,683,016	\$ 139,349,858	\$ 142,088,629	\$ 144,606,501	\$ 145,717,408	\$ 148,869,158
Change in Net Assets	\$ 5,128,712	\$ 1,567,462	\$ 4,396,750	\$ 34,058,004	\$ 2,263,258	\$ 701,890	\$ 210,325	\$(1,889,895)	\$(732,625)	\$(4,658,099)
Governmental Activities	\$(2,738)	\$(11,237)	48,810	57,386	\$(30,529)	48,385	\$(75,329)	\$(55,044)	\$(69,665)	\$(131,064)
Business-Type Activities										
Total District	\$ 5,125,974	\$ 1,556,225	\$ 4,445,560	\$ 34,115,390	\$ 2,232,729	\$ 808,275	\$ 134,996	\$(1,944,840)	\$(802,200)	\$ (4,789,763)

Source: CAFR Schedule A-2

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
Unaudited

J-3

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Restricted	\$ 6,989,514.05	\$ 7,425,617.77	\$ 6,888,190.57	\$ 9,370,675.04	\$ 12,842,264.81	\$ 11,348,966.43	\$ 14,063,423.81	\$ 15,637,538.47	\$ 16,957,024.66	\$ 16,748,556.84
Unassigned	828,293.43	(1,008,776.22)	(783,437.18)	(351,952.81)	(955,731.82)	(152,151.24)	(313,111.93)	(1,173,111.23)	(307,766.96)	(177,454.90)
Total General Fund	<u>\$ 7,817,807.48</u>	<u>\$ 6,416,841.55</u>	<u>\$ 6,104,753.39</u>	<u>\$ 9,018,722.23</u>	<u>\$ 11,886,532.99</u>	<u>\$ 11,196,815.19</u>	<u>\$ 13,750,311.88</u>	<u>\$ 14,464,427.24</u>	<u>\$ 16,649,257.70</u>	<u>\$ 16,571,101.94</u>
All Other Governmental Funds:										
Restricted	\$ 30,264.00	\$ 1,491,535.60	\$	\$	\$	\$	\$	\$	\$	\$ 229,004.39
Unassigned, Reported in:										
Special Revenue	(20,639.00)									
Debt Service Fund	0.29	0.63	0.86	39,740.60	39,740.82	39,741.05	39,741.27	0.49	8,750.53	8,750.53
Capital Projects Fund	1,180,258.44	1,510,263.44	1,518,342.43	1,478,147.02	2,080,235.33	8,772.05				
Total All Other Governmental Funds	<u>\$ 1,189,883.73</u>	<u>\$ 3,001,799.67</u>	<u>\$ 1,518,343.29</u>	<u>\$ 1,517,887.62</u>	<u>\$ 2,119,976.15</u>	<u>\$ 48,513.10</u>	<u>\$ 39,741.27</u>	<u>\$ 0.49</u>	<u>\$ 8,750.53</u>	<u>\$ 237,754.92</u>
Total Fund Balances	<u>\$ 9,007,691.21</u>	<u>\$ 9,418,641.22</u>	<u>\$ 7,623,096.68</u>	<u>\$ 10,536,609.85</u>	<u>\$ 14,006,509.14</u>	<u>\$ 11,245,328.29</u>	<u>\$ 13,790,053.15</u>	<u>\$ 14,464,427.73</u>	<u>\$ 16,658,008.23</u>	<u>\$ 16,808,856.86</u>

Source: School District Financial Reports.

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

J-4

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 85,772,775	\$ 85,994,209	\$ 86,583,139	\$ 87,267,729	\$ 88,954,889	\$ 87,890,380	\$ 91,021,964	\$ 92,745,337	\$ 94,107,762	\$ 96,360,278
Tuition	187,624	123,965	71,965	139,310	201,918	56,470	15,537	62,812	43,257	30,608
Miscellaneous	826,958	2,739,282	979,789	973,061	753,252	586,197	439,174	776,935	552,274	754,181
State Sources	54,297,430	53,839,280	48,330,400	51,288,220	54,202,576	59,891,525	58,442,338	60,847,262	62,796,874	65,364,495
Federal Sources	3,284,822	3,413,731	12,479,273	4,197,730	5,600,111	3,594,770	3,480,747	3,454,844	3,464,000	3,997,335
Total Revenue	144,369,409	146,110,467	148,444,566	143,866,051	149,712,745	152,019,343	153,399,760	157,887,190	160,964,167	166,506,898
Expenditures										
Instruction:										
Regular	40,280,263	41,279,234	43,377,753	40,675,109	42,112,753	42,433,185	42,599,210	44,998,542	45,811,988	46,711,699
Special Education	8,947,319	9,842,542	10,509,996	10,958,260	11,537,804	12,344,037	12,734,116	12,704,153	13,243,808	13,971,109
Other Special Instruction	3,343,844	3,931,633	4,407,024	4,281,001	3,995,933	4,097,260	4,509,196	3,894,104	3,947,352	3,995,844
Other Instruction	1,294,814	1,333,123	1,374,002	1,224,881	1,190,846	1,550,109	1,498,785	1,522,409	1,587,085	1,572,923
Community Service Programs	3,149	4,903	5,094	4,923	1,804	5,391	5,509	6,251	5,780	5,441
Support Services and Undistributed Costs:										
Tuition	5,002,064	4,991,278	3,959,743	4,795,178	3,889,177	3,598,461	3,809,108	3,647,825	3,258,588	3,337,506
Student and Instruction Related Services	11,281,666	11,676,482	12,612,212	12,218,098	11,993,355	12,929,390	13,204,868	13,093,451	13,759,863	14,118,531
School Administrative Services	7,074,612	7,348,113	7,450,578	7,531,279	7,880,028	5,330,317	5,347,983	5,387,933	5,388,633	5,432,242
Other Administrative Services	1,524,015	1,610,491	1,566,863	1,490,366	1,570,167	3,328,140	3,342,005	3,433,312	3,602,537	3,719,722
Plant Operation and Maintenance	13,969,307	14,589,722	13,274,657	12,135,155	12,209,133	12,062,359	13,079,679	13,796,935	13,811,146	14,708,482
Pupil Transportation	8,333,417	8,555,547	8,726,344	8,338,059	8,469,076	8,559,093	8,744,518	8,520,544	8,589,297	8,645,135
Employee Benefits	33,309,245	30,490,818	31,447,520	32,655,944	35,130,337	38,483,452	37,335,484	41,162,535	41,027,476	45,648,295
Special Schools	715,131	745,977	722,191	77,590	35,917	19,442	37,315	69,121	119,207	167,853
Debt Service:										
Principal	860,000	905,000	1,010,000	1,065,000	1,115,000	1,170,000	1,230,000	1,295,000	1,370,000	1,720,000
Interest	2,094,068	2,036,377	1,928,594	1,882,219	1,832,969	1,784,119	1,729,969	1,666,844	1,600,218	924,833
Capital Outlay	3,632,684	6,358,278	7,867,539	1,619,478	3,278,547	5,963,609	1,647,290	2,013,856	1,667,608	1,676,435
Total Expenditures	141,665,597	145,699,517	150,240,110	140,952,537	146,242,845	153,658,362	150,855,035	157,212,815	158,770,587	166,356,050
Excess (Deficiency) of Revenues Over/(Under) Expenditures	2,703,812	410,950	(1,795,545)	2,913,513	3,469,899	(1,639,019)	2,544,725	674,375	2,193,581	150,849
Other Financing Sources (Uses)										
Cancellation of Capital Projects - Local Share			251,711	39,740	1,700,000	(1,122,162)	(8,772)			
Transfers In						355,985	8,772			
Transfers Out			(251,711)	(39,740)	(1,700,000)	(355,985)				
Total Other Financing Sources (Uses)			-	-	-	(1,122,162)	-			
Net Change in Fund Balances	\$ 2,703,812	\$ 410,950	\$ (1,795,545)	\$ 2,913,513	\$ 3,469,899	\$ (2,761,181)	\$ 2,544,725	\$ 674,375	\$ 2,193,581	\$ 150,849
Debt Service as a Percentage of Noncapital Expenditures	2.14%	2.11%	2.06%	2.12%	2.06%	2.00%	1.98%	1.91%	1.89%	1.61%

Source: School District Financial Reports.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

J-5

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Interest Earned	\$ 39,525.55	\$ 37,234.04	\$ 32,518.14	\$ 29,806.75	\$ 33,444.27	\$ 88,331.79	\$ 150,604.31	\$ 185,140.11	\$ 325,896.83	\$ 500,909.69
Insurance Reimbursement						263,349.13				90,757.48
ASFDF								59,665.92		
Refund of Prior Year Expenditures	45,650.16	11,330.36	17,029.12						25,872.59	
Sale of Browntown School							600,000.00			
Registration Fees	30,545.00	39,165.00	32,962.50	13,745.00	25,975.00	4,425.00	3,750.00			
Rentals	15,453.86	12,376.96	8,044.28	43,355.32	46,421.58	57,193.44	7,135.75	16,453.09	19,348.88	42,301.44
E-Rate	49,152.97	78,184.89	65,253.02	40,076.53	98,875.55	80,143.65	61,058.72		95,444.07	105,577.56
Tuition Refunds	12,978.20					30,459.95			29,748.00	
Building Application Fee			320.00	590.00	760.00	800.00	12,279.00	695.00	1,040.00	3,515.00
FEMA Aid	65,527.93									
Vandalism								1,050.00	95.00	2,729.77
Cell Tower Rentals	81,518.24									
Retiree Drug Program					25,975.00		50,062.14			
Daycare Tuition	273,103.50	265,336.50	248,356.00	247,385.50	213,475.00	23,270.00				
Community School Close-Out						53,304.87				
Advertising			299.45	668.42	1,320.21	2,259.08	9,000.02	7,868.70	15,600.00	
Transportation Ventures	19,591.90	23,521.16	24,482.10	25,398.83	31,019.51	63,445.55	20,169.04	71,232.11		
Easement										29,000.00
Other	57,975.38	40,839.02	8,514.74	14,144.20	13,787.87	35,446.81	38,145.67	96,101.11	40,493.22	18,788.21
Total	\$ 691,022.69	\$ 507,987.93	\$ 437,779.35	\$ 415,170.55	\$ 491,053.99	\$ 702,429.27	\$ 952,204.65	\$ 438,206.04	\$ 553,538.59	\$ 793,579.15

REVENUE CAPACITY

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
Unaudited

J-6

<u>Fiscal Year Ended June 30</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Regular</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total Assessed Value</u>	<u>Tax-Exempt Property</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate</u>	<u>Estimated Actual (County Equalized Value)</u>
2008	\$ 58,594,300	\$ 2,766,934,800	\$10,569,700	\$ 334,046,800	\$ 50,502,200	\$ 168,378,200	\$ 3,389,026,000	\$ 371,253,500	\$ 3,375,373,060	\$ 2.54	\$ 7,917,186,942
2009	60,767,300	2,762,914,100	10,202,400	340,455,300	50,246,400	164,023,700	3,388,609,200	372,158,400	3,339,763,515	2.54	8,001,438,489
2010	55,630,100	2,773,163,700	9,998,200	339,460,400	48,610,000	163,823,700	3,390,686,100	374,155,200	3,395,973,211	2.56	7,832,492,723
2011	54,894,800	2,772,812,500	9,825,300	353,469,800	46,073,000	163,588,400	3,400,663,600	374,845,700	3,404,867,872	2.59	7,562,460,359
2012	53,300,500	2,776,133,200	9,106,500	351,393,400	45,733,200	162,538,700	3,398,205,500	380,012,400	3,402,578,488	2.60	7,334,724,052
2013	52,633,000	2,780,083,800	9,760,300	342,230,000	44,862,700	161,764,700	3,391,334,500	380,908,200	3,395,470,040	2.64	6,898,557,578
2014	54,531,000	2,787,731,500	10,160,200	333,021,900	44,862,700	161,519,700	3,391,827,000	381,200,500	3,395,350,100	2.71	6,807,582,255
2015	57,145,900	2,796,022,500	9,782,100	343,576,400	45,135,400	161,519,700	3,413,182,000	381,341,400	3,416,582,520	2.74	7,009,317,782
2016	51,446,600	2,817,879,400	9,148,500	347,275,200	45,347,000	161,519,700	3,432,616,400	382,129,200	3,435,833,471	2.777	7,355,860,113
2017	47,889,900	2,831,935,668	9,219,300	355,739,300	45,443,000	161,519,700	3,451,746,868	383,656,100	3,435,833,471	2.831	7,529,988,805

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of assessed value)
*Unaudited***

J-7

Fiscal Year Ended June 30,	Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Old Bridge Township	Middlesex County	
2008	\$ 2.46	\$ 0.08	\$ 2.54	\$ 0.82	\$ 0.68	\$ 4.04
2009	2.46	0.08	0.08	0.87	0.70	1.65
2010	2.47	0.09	0.09	0.94	0.70	1.73
2011	2.50	0.09	0.09	0.98	0.75	1.82
2012	2.51	0.09	0.09	1.00	0.77	1.86
2013	2.55	0.09	0.09	1.01	0.78	1.88
2014	2.62	0.09	0.09	1.02	0.80	1.91
2015	2.648	0.087	0.087	0.948	0.884	1.919
2016 *	2.695	0.0817	2.777	0.961	1.085	4.823
2017	2.754	0.0766	2.831	0.972	1.093	4.896

Source: Municipal Tax Collector and Business Administrator

N.J.S.A. 10A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

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

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
*Unaudited***

J-8

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Middlesex Builders, Inc.	\$ 20,000,000	1	0.582%	\$ 20,000,000	1	0.600%
Madison Realty Company	17,300,000	2	0.504%	17,500,000	3	0.520%
Route Nine Plaza LLC	15,227,200	3	0.443%			
Heritage Old Bridge, LLC	14,800,000	4	0.431%	17,600,000	2	0.530%
Aldercrest, Inc., Section 3	14,425,600	5	0.420%	14,425,600	5	4.320%
Aldercrest, Inc., Section 2	14,425,600	6	0.420%	14,425,600	6	4.320%
Aldercrest, Inc., Section 1	14,131,200	7	0.411%	14,131,200	7	0.420%
Wilf, Harry, Joe, Leonard and Zygmunt				16,500,000	4	0.490%
Old Bridge Partners I, LLC				13,854,500	8	0.410%
Stratford Village & Cammeby's Management				10,200,000	10	0.310%
Woodhaven Village NC	13,612,800	8	0.396%			
Hudson 90 Matawan LP	11,700,000	9	0.341%			
Nieuw Amsterdam c/o Smith and Kriegman	11,400,000	10	0.332%	11,400,000	9	0.341%
	<u>\$ 147,022,400</u>		<u>4.279%</u>	<u>\$ 150,036,900</u>		<u>12.261%</u>

Source: Municipal Tax Assessor

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
SCHOOL DISTRICT COLLECTION ONLY
*Unaudited***

J-9

<u>Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy ^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2008	\$ 85,772,775	\$ 85,772,775	100.00%	\$
2009	85,994,209	85,994,209	100.00%	
2010	86,583,139	86,583,139	100.00%	
2011	87,267,729	87,267,729	100.00%	
2012	88,954,889	88,954,889	100.00%	
2013	87,890,380	87,890,380	100.00%	
2014	88,061,995	88,061,995	100.00%	
2015	92,745,337	92,745,337	100.00%	
2016	94,107,762	94,107,762	100.00%	
2017	96,360,278	96,360,278	100.00%	

Source: Township records including the Certificate and Report of School Taxes (A4F Form)

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

DEBT CAPACITY

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
*Unaudited***

J-10

Fiscal Year Ended June 30,	Governmental Activities			Business- Type Capital Leases	Total District	Percentage of Personal Income (a)	Per Capita (a)
	Serial Bonds	Capital Leases	Bond Anticipation Notes (BANS)				
2008	\$ 45,350,000	\$ 702,900	\$ 1,771,947	N/A	\$ 47,824,847	1.49%	\$ 730.40
2009	44,445,000	361,614	N/A	N/A	44,806,614	1.43%	679.49
2010	43,435,000	1,191,041	N/A	N/A	44,626,041	1.41%	681.82
2011	42,370,000	2,632,209	N/A	N/A	45,002,209	1.39%	684.62
2012	41,255,000	1,789,424	N/A	N/A	43,044,424	1.25%	826.06
2013	40,085,000	300,803	N/A	N/A	40,385,803	1.16%	772.33
2014	38,855,000	N/A	N/A	N/A	38,855,000	1.10%	740.29
2015	37,560,000	565,000	N/A	N/A	38,125,000	1.06%	713.06
2016	33,660,000	463,181	N/A	N/A	34,123,181	*	*
2017	31,940,000	352,276	N/A	N/A	32,292,276	*	*

*Data was not provided by School District.

Source: School District Financial Records

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
*Unaudited***

J-11

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Estimated Actual County Equalized Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2008	\$ 45,350,000	\$ -	\$ 45,350,000	\$7,917,186,942	0.57%	65,478	R 693 R
2009	44,445,000		44,445,000	8,001,438,489	0.56%	65,942	R 674 R
2010	43,435,000		43,435,000	7,832,492,723	0.55%	65,417	R 664 R
2011	42,370,000		42,370,000	7,562,460,359	0.56%	65,770	R 644 R
2012	41,255,000		41,255,000	7,334,724,052	0.56%	66,236	R 623 R
2013	40,085,000		40,085,000	6,898,557,578	0.58%	66,676	R 601 R
2014	38,855,000		38,855,000	6,807,582,255	0.57%	67,087	R 579 R
2015	37,560,000		37,560,000	7,009,317,782	0.54%	67,215	559
2016	33,660,000		33,660,000	7,355,860,113	0.46%	66,673	505
2017	31,940,000		31,940,000	7,529,988,805	0.42%	*	*

*Data was not provided by School District.

Source: School District Financial Reports

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

R - Revised

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
Unaudited**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Township of Old Bridge	\$ 46,623,569	100.00%	\$ 46,623,569
Middlesex County General Obligation Debt	513,365,517	7.16%	<u>36,756,971</u>
Sub-Total Overlapping Debt			83,380,540
Old Bridge School District Direct Debt			<u>31,940,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 115,320,540</u></u>

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

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

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

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(DOLLARS IN THOUSANDS)
Unaudited

J-13

Legal Debt Margin Calculation

		Equalized Valuation Basis
	2014	\$ 6,949,041,180
	2015	7,297,802,010
	2016	<u>7,488,251,309</u>
	(A)	<u>\$21,735,094,499</u>
Average Equalized Valuation of Taxable Property	[A/3]	<u>\$ 7,245,031,500</u>
Debt Limit (4.0% of Average Equalization Value)	[B]	\$ 289,801,260 (a)
Net Bonded School Debt	[C]	<u>31,940,000</u>
Legal Debt Margin	[B-C]	<u>\$ 257,861,260</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Transitional Year 2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit	\$ 255,054,784	\$ 240,297,786	\$ 314,944,412	\$ 310,769,308	\$ 302,374,796	\$ 290,060,397	\$ 280,322,265	\$ 275,234,864	\$ 280,484,022	\$ 289,801,260
Total Net Debt Applicable to Limit	<u>46,210,000</u>	<u>45,350,000</u>	<u>43,435,000</u>	<u>42,370,000</u>	<u>41,255,000</u>	<u>40,085,000</u>	<u>38,855,000</u>	<u>37,560,000</u>	<u>33,660,000</u>	<u>31,940,000</u>
Legal Debt Margin	<u>\$ 208,844,784</u>	<u>\$ 194,947,786</u>	<u>\$ 271,509,412</u>	<u>\$ 268,399,308</u>	<u>\$ 261,119,796</u>	<u>\$ 249,975,397</u>	<u>\$ 241,467,265</u>	<u>\$ 237,674,864</u>	<u>\$ 246,824,022</u>	<u>\$ 257,861,260</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.12%	18.87%	13.79%	13.63%	13.64%	13.82%	13.86%	13.65%	12.00%	11.02%

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

(a) Limit set by N.J.S. 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

DEMOGRAPHIC AND ECONOMIC INFORMATION

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

J-14

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2007	65,217 R	\$ 3,033,829,623 R	\$ 46,519 R	2.80%
2008	65,478 R	3,159,182,544 R	48,248 R	3.50%
2009	65,942 R	3,022,055,918 R	45,829 R	8.40%
2010	65,417 R	3,046,600,524 R	46,572 R	8.70%
2011	65,770 R	3,215,034,910 R	48,883 R	8.40%
2012	66,236 R	3,329,087,596 R	50,261 R	8.60%
2013	66,676 R	3,351,602,492 R	50,267	7.20%
2014	67,087 R	3,521,128,282	52,486	5.60%
2015	67,215	3,593,784,405	53,467	4.60%
2016	66,673	*	*	4.20%

*Data not available

Source:

a = Population information provided by the N.J. Department of Labor and Workforce Development.

b = Personal income has been estimated based upon the municipal population and per capita personal income presented.

c = Per capita personal income by municipality estimated based upon the 2000 Census published by the U.S. Bureau of Economic Analysis.

d = Unemployment Data provided by the N.J. Department of Labor and Workforce Development.

R - Revised

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
*Unaudited***

J-15

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Blonder - Tongue Labs	*	*	225	*
Madison Industries	*	*	128	*
Madison Chemicals	*	*	100	*
Old Bridge Chemicals	*	*	100	*
CPS Chemical	*	*	100	*
Old Bridge Board of Education	*	*	1,150	*
	*	*	1,803	*

*Data was not provided by School District.

Districts may obtain principal employer information from various sources such as their local Chamber of Commerce, Local Economic Development Agency, or other creditable source for their municipality.

Old Bridge Employees include Full-Time and Part-Time (Noon Hour Supervisors).

OPERATING INFORMATION

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

J-16

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction:										
Regular	557.8	568.6	562.0	535.9	529.8	538.1	542.4	533.0	536.0	540.0
Special Education	157.6	164.1	164.2	172.5	169.6	171.0	166.5	172.0	174.0	180.0
Other Special Education	121.5	131.5	144.5	147.0	155.0	170.0	166.0	163.0	161.0	171.0
Support Services:										
Student and Instruction Related Services	135.0	136.0	140.0	136.2	133.2	144.4	144.7	146.0	148.6	143.0
School Administrative Services	63.0	64.0	64.0	60.0	60.2	61.7	57.2	56.2	57.2	57.0
General and Business Administration	24.5	25.5	26.5	26.5	26.9	25.8	29.8	29.2	25.8	25.0
Plant Operations and Maintenance	49.2	48.7	49.2	33.2	30.8	31.4	31.4	31.6	31.6	34.0
Pupil Transportation	65.0	59.0	62.0	58.0	53.0	56.0	61.0	59.0	59.0	60.0
Special Schools	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>1,176.6</u></u>	<u><u>1,200.4</u></u>	<u><u>1,215.4</u></u>	<u><u>1,169.3</u></u>	<u><u>1,158.5</u></u>	<u><u>1,198.4</u></u>	<u><u>1,199.0</u></u>	<u><u>1,190.0</u></u>	<u><u>1,193.2</u></u>	<u><u>1,210.0</u></u>

Source: District Personnel Office

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio (b)</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>Percentage Change in (ADE)</u>	<u>Student Attendance Percentage</u>
2008	9,661.0	\$ 135,078,845	\$13,982	3.59%	715.4	13.5	9,648.3	9,195.4	-1.05%	95.30%
2009	9,633.0	136,399,862	14,160	1.27%	732.7	13.1	9,610.4	9,151.0	-0.96%	95.20%
2010	9,521.0	139,433,977	14,645	3.43%	726.2	13.1	9,484.7	9,019.7	-0.94%	95.10%
2011	9,403.0	136,385,841	14,505	2.44%	707.4	13.3	9,415.4	8,921.9	-0.94%	94.80%
2012	9,291.0	140,016,329	15,070	2.90%	699.4	13.3	9,203.3	8,746.2	-2.25%	95.00%
2013	9,195.5	146,190,431	15,898	9.61%	709.0	13.0	9,101.6	8,636.2	-1.11%	94.89%
2014	8,989.5	146,247,776	16,269	2.33%	711.0	12.6	8,880.9	8,443.5	2.42%	95.08%
2015	9,079.0	148,568,109	16,364	0.59%	708.0	12.8	9,018.0	8,555.0	1.30%	94.87%
2016	9,016.0	151,138,440	16,763	2.44%	712.0	12.7	8,917.0	8,443.0	-1.13%	94.68%
2017	8,905.5	158,274,310	17,773	6.02%	720.0	12.4	8,829.6	8,380.0	-1.14%	94.91%

Source: School District Financial Records

Note: Enrollment based on annual October District count.

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

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
Unaudited

J-18
 Sheet #1

<u>District Building</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Old Bridge High School - Main Building:										
Square Feet	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715
Capacity (Students)	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183
Enrollment	2,291	2,291	2,291	2,341	2,291	2,367	2,223	2,227	2,227	2,170
Old Bridge High School - Grade Nine Center:										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Enrollment	748	748	748	711	742	637	692	741	741	679
Jonas Salk Middle School:										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Enrollment	1,272	1,272	1,272	985	1,036	1,024	1,007	983	983	996
Carl Sandburg Middle School:										
Square Feet	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400
Capacity (Students)	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284
Enrollment	1,201	1,201	1,201	1,249	1,188	1,163	1,160	1,164	1,164	1,138
M. Scott Carpenter Elementary School:										
Square Feet	32,950	32,950	32,950	32,950	32,850	32,950	32,950	32,950	32,950	32,950
Capacity (Students)	303	303	303	303	303	303	303	303	303	303
Enrollment	302	302	302	285	279	290	295	304	304	283
Cheesequake Elementary School:										
Square Feet	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100
Capacity (Students)	329	329	329	329	329	329	329	329	329	329
Enrollment	324	324	324	316	302	290	298	295	295	284
Leroy Gordon Cooper Elementary School:										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	245	245	245	245	245	245	245	245	245	245
Enrollment	186	186	186	272	261	263	250	233	233	238
Virgil I. Grissom Elementary School:										
Square Feet	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	229	229	229	234	235	222	210	208	208	230
Madison Park Elementary School:										
Square Feet	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750
Capacity (Students)	383	383	383	383	383	383	383	383	383	383
Enrollment	338	338	338	316	298	282	271	278	278	262
James A. McDivitt Elementary School:										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (Students)	564	564	564	564	564	564	564	564	564	564
Enrollment	555	555	555	532	550	520	553	441	441	446

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
Unaudited

J-18
 Sheet #2

<u>District Building</u>	<u>2008</u>	<u>2009</u>	<u>2009</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Memorial Elementary School:										
Square Feet	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200
Capacity (Students)	377	377	377	377	377	377	377	377	377	377
Enrollment	436	436	436	432	420	398	393	393	393	403
William A. Miller Elementary School:										
Square Feet	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	353	353	353	337	313	352	344	341	341	326
Walter M. Schirra Elementary School:										
Square Feet	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570
Capacity (Students)	499	499	499	499	499	499	499	499	499	499
Enrollment	420	420	420	374	334	366	355	356	356	329
Alan B. Shepard Elementary School:										
Square Feet	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302
Capacity (Students)	353	353	353	353	353	353	353	353	353	353
Enrollment	343	343	343	290	292	269	255	274	274	255
Southwood Elementary School:										
Square Feet	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000
Capacity (Students)	383	383	383	383	383	383	383	383	383	383
Enrollment	380	380	380	316	390	304	290	433	433	456
Raymond E. Voorhees Elementary School:										
Square Feet	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410
Capacity (Students)	557	557	557	557	557	557	557	557	557	557
Enrollment	464	464	464	413	390	364	325	346	346	353

Source: School District Facilities Office

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
LAST TEN FISCAL YEARS
Unaudited

J-19

NONDISTRIBUTED EXPENDITURES - 11-000-261-XXX
REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

School Number	Fiscal Years Ending June 30										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
School Facilities*											
Old Bridge High School Main Building (Effective July 1, 2005)	40	\$1,336,577.00	\$ 978,013.00	\$1,328,787.00	\$ 940,088.00	\$1,011,087.00	\$1,215,370.00	\$1,013,462.00	\$1,063,375.00	\$1,376,635.00	\$ 1,044,803.00
Alan B. Shepard Elementary School	82	187,994.00	206,997.00	176,541.00	170,543.00	124,612.00	114,786.00	152,701.00	140,682.00	123,724.00	130,032.00
OBHS-GNC (Formerly Carl Sandburg Middle School)	103	615,099.00	507,484.00	465,756.00	482,190.00	399,733.00	512,008.00	367,862.00	356,828.00	323,346.00	298,436.00
Cheesequake Elementary School	105	149,396.00	204,548.00	205,304.00	158,158.00	142,973.00	266,897.00	155,901.00	169,559.00	197,106.00	162,152.00
James A. McDivitt Elementary School	108	187,351.00	199,551.00	263,145.00	234,569.00	221,470.00	171,991.00	176,477.00	191,842.00	261,668.00	209,976.00
Jonas Salk Middle School	110	652,363.00	505,883.00	409,524.00	493,803.00	438,731.00	469,101.00	384,823.00	427,131.00	423,349.00	349,164.00
Leroy Gordon Cooper Elementary School	113	112,354.00	145,813.00	167,309.00	106,594.00	78,717.00	126,265.00	109,553.00	110,892.00	121,385.00	176,160.00
Madison Park Elementary School	120	176,239.00	165,619.00	172,213.00	160,487.00	134,623.00	156,983.00	184,674.00	210,981.00	212,747.00	155,079.00
Memorial Elementary School	130	309,396.00	191,127.00	212,404.00	208,237.00	150,218.00	146,528.00	127,926.00	157,793.00	254,270.00	168,186.00
M. Scott Carpenter Elementary School	133	157,498.00	215,681.00	174,505.00	184,115.00	127,075.00	314,834.00	147,114.00	152,129.00	174,918.00	181,320.00
Raymond E. Voorhees Elementary School	140	201,366.00	186,392.00	194,925.00	174,011.00	166,118.00	176,283.00	179,379.00	200,300.00	207,857.00	241,934.00
Southwood Elementary School	150	154,028.00	168,071.00	224,162.00	145,603.00	136,245.00	145,513.00	137,319.00	164,951.00	166,549.00	181,976.00
Virgil I. Grissom Elementary School	163	163,607.00	157,760.00	160,655.00	149,201.00	144,673.00	133,842.00	134,808.00	143,743.00	165,344.00	136,004.00
Walter M. Schirra Elementary School	165	199,981.00	177,658.00	184,998.00	161,623.00	221,270.00	145,672.00	187,487.00	161,048.00	193,269.00	202,176.00
William A. Miller Elementary School	170	93,055.00	164,429.00	181,777.00	129,423.00	77,013.00	78,960.00	98,154.00	110,993.00	123,874.00	114,616.00
Other Facilities	999	1,598,642.00	1,455,876.00	1,270,163.00	1,069,989.00	748,193.30	1,057,373.00	1,053,248.00	977,150.00	1,177,134.00	1,084,881.00
Total School Facilities		<u>\$6,294,946.00</u>	<u>\$5,630,902.00</u>	<u>\$5,792,168.00</u>	<u>\$4,968,634.00</u>	<u>\$4,322,751.30</u>	<u>\$5,232,406.00</u>	<u>\$4,610,888.00</u>	<u>\$4,739,397.00</u>	<u>\$5,503,175.00</u>	<u>\$ 4,836,895.00</u>

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

Source: School District records

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
Unaudited**

J-20

	<u>Amounts/Limits</u>	<u>Company</u>	<u>Policy Number</u>
Property			
Blanket Building and Contents	\$ 258,055,741	SAIF	PR-16-01-251
Deductible	5,000		
Business Income and Extra Expenses	5,000,000		
Flood	5,000,000		
Computer Equipment	6,000,000		
Contractors Equipment	250,000		
Commercial Liability			
Bodily Injury and Property Damage		SAIF	PR-16-01-251
Each Occurrence	5,000,000		
General Aggregate	5,000,000		
Products/Completed Operations	5,000,000		
Damage to Premises Rented	5,000,000		
Medical Payments	10,000		
Personal and Advertising Injury	5,000,000		
Employee Benefits Liability	5,000,000		
Crime			
Employee Dishonesty	500,000	SAIF	PR-16-01-251
Money and Security	25,000		
Forgery or Alteration	100,000		
Computer Fraud	25,000		
Business Auto			
Combined Single Limit	10,000,000	SAIF	PR-16-01-251
Personal Injury Protection	Statutory		
Medical Payments	5,000		
Uninsured/Underinsured	15/30/5		
Comprehensive Deductible	1,000		
Collision Deductible	1,000		
School Board Legal			
Limit of Liability	10,000,000	SAIF	SLPL-16-251
Workers' Compensation			
Employer's Liability	2,000,000	NJSIG	W388AH
Umbrella			
Limit of Liability	5,000,000	SAIF	PR-16-01-251
CAP EXCESS			
Limit of Liability	50,000,000	Fireman's Fund	SHX-000-1523-6458
Bonds			
Business Administrator/Board Secretary	100,000	Selective	B1150483
Treasurer of School Monies	526,000	Selective	B1145135
Supplemental WC			
Max Benefit Per Week	2,500	NJSIG	9907-15-88
Student Accident			
Blanket Student Accident	1,000,000	Bollinger	MCB5858828
Environmental Impairment			
Occurrence	1,000,000	SAIF	N/A
Builder's Risk			
Roof/Security Projects	1,255,000	Selective	S2220543
International			
	1,000 each occurrence	ACE	PFFD3834951
Limit of Liability	2,000,000 general aggregate		

SINGLE AUDIT SECTION

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9939
PHONE (973) 624-6100
FAX (973) 624-6101

33 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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

The Honorable President and Members
of the Board of Education
Old Bridge Township Board of Education
County of Middlesex
Matawan, New Jersey 07747

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Old Bridge Township Board of Education, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Old Bridge Township Board of Education's basic financial statements, and have issued our report thereon dated October 27, 2017.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Board of Education of the Old Bridge Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 27, 2017

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

38 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM ADMINISTRATIVE
REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL
AWARDS (UNIFORM GUIDANCE)**

The Honorable President and Members
of the Board of Education
Old Bridge Township Board of Education
County of Middlesex
Matawan, New Jersey 07747

Report on Compliance for Each Major Program

We have audited the Old Bridge Township Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The Old Bridge Township 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 Old Bridge Township's 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; and the *New Jersey State Aid/Grant Compliance Supplement*, and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the Old Bridge School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Old Bridge Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Old Bridge Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Old Bridge Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB's 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Old Bridge Township School District's internal control over compliance.

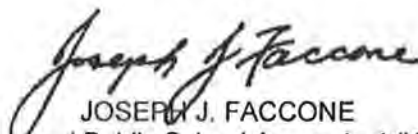
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and New Jersey OMB's Circular 15-08

We have audited the financial statements of the Old Bridge Township School District as of and for the year ended June 30, 2017, and have issued our report thereon dated October 27, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



JOSEPH J. FACCONI
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 27, 2017

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

Schedule A

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balance	June 30, 2017		
											(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education:													
General Fund													
Medical Assistance Program	93.778	1705NJ5MAP	7/1/16 - 6/30/17	\$ 165,881.27	\$ -	\$ -	\$ 155,446.06	\$ (155,446.06)	\$ -	\$ -	\$ -	\$ -	
Medical Assistance Program - ARRA	93.778	NJ5MAP	4/1/09 - 12/31/09	10,435.21	-	-	10,435.21	(10,435.21)	-	-	-	-	
Medical Assistance Program	93.778	165NJ5MAP	7/1/15 - 6/30/16	151,801.68	18,883.66	-	18,883.65	-	-	-	-	-	
Total General Fund					<u>18,883.66</u>		<u>184,764.93</u>	<u>(165,881.27)</u>					
U.S. Department of Education:													
Passed-Through State Department of Education													
Special Revenue Fund													
Title I, Part A	84.010	S010A160030	7/1/16 - 6/30/17	747,607.00	-	-	413,673.34	(656,168.66)	-	-	(242,495.32)	-	
Title I, Part A Carryover	84.010	S010A150030	7/1/15 - 6/30/16	801,502.00	-	-	112,694.66	(112,994.66)	-	-	-	-	
Title I, Part A	84.010	S010A150030	7/1/15 - 6/30/16	801,502.00	(218,222.60)	-	218,222.00	-	0.60	-	-	-	
Title II, Part A	84.367A	S367A160029	7/1/16 - 6/30/17	203,251.00	-	-	114,538.24	(189,622.97)	-	-	(75,084.73)	-	
Title II, Part A - Carryover	84.367A	S367A150029	7/1/15 - 6/30/16	216,635.00	-	-	16,401.76	(16,401.76)	-	-	-	-	
Title II, Part A	84.367A	S367A150029	7/1/15 - 6/30/16	216,635.00	(73,540.01)	-	73,540.00	-	0.01	-	-	-	
Title III	84.365	S365A150030	7/1/16 - 6/30/17	73,746.00	-	-	42,308.76	(68,991.18)	-	-	(26,682.42)	-	
Title III Carryover	84.365	S365A150030	7/1/15 - 6/30/16	63,801.00	-	-	5,257.24	(5,257.24)	-	-	-	-	
Title III	84.365	S365A150030	7/1/15 - 6/30/16	63,801.00	(20,404.81)	-	20,405.00	-	(0.19)	-	-	-	
Title III Immigrant	84.365	S365A160030	7/1/16 - 6/30/17	21,283.00	-	-	-	(19,533.20)	-	-	(19,533.20)	-	
Title III Immigrant Carryover	84.365	S365A150030	7/1/15 - 6/30/16	4,553.00	-	-	3,168.00	(3,602.75)	-	-	(434.75)	-	
Title III Immigrant	84.365	S365A150030	7/1/15 - 6/30/16	4,553.00	(0.25)	-	-	-	0.25	-	-	-	
IDEA Part B, Basic Regular	84.027	H027A160100	7/1/16 - 6/30/17	2,052,387.00	-	-	1,926,645.13	(2,033,434.51)	-	-	(106,789.38)	-	
IDEA Part B, Basic Regular Carryover	84.027	H027A150100	7/1/15 - 6/30/16	2,161,888.00	-	-	20,542.67	(20,542.87)	-	-	-	-	
IDEA Part B, Basic Regular	84.027	H027A150100	7/1/15 - 6/30/16	2,161,888.00	(140,362.99)	-	140,363.00	-	(0.01)	-	-	-	
IDEA Part B, Preschool Handicapped	84.173	S173A160114	7/1/16 - 6/30/17	65,308.00	-	-	64,557.00	(64,557.00)	-	-	-	-	
IDEA Part B, Preschool Handicapped Carryover	84.173	S173A150114	7/1/15 - 6/30/16	64,619.00	-	-	441.00	(441.00)	-	-	-	-	
IDEA Part B, Preschool Handicapped	84.173	S173A150114	7/1/15 - 6/30/16	64,619.00	(5,747.00)	-	5,747.00	-	-	-	-	-	
Perkins Grant	84.048A	S048A160030	7/1/16 - 6/30/17	52,506.00	-	-	35,796.00	(52,506.00)	-	-	(16,720.00)	-	
Perkins Grant	84.048A	S048A150030	7/1/15 - 6/30/16	52,946.00	(26,482.00)	-	28,482.00	-	-	-	-	-	
Total Special Revenue Fund					<u>(486,759.65)</u>		<u>3,242,973.00</u>	<u>(3,243,953.80)</u>	<u>0.66</u>		<u>(487,739.80)</u>		
U.S. Department of Agriculture:													
Passed-Through State Department of Education													
Enterprise Fund:													
Food Distribution Program	10.550	171NJ304N1099	7/1/16 - 6/30/17	197,292.60	-	-	197,292.60	(197,040.68)	-	-	-	251.92 A	
Food Distribution Program	10.550	16161NJ304N1099	7/1/15 - 6/30/16	49,805.79	3,391.35	-	-	(3,391.35)	-	-	-	-	
National School Lunch Program	10.555	171NJ304N1099	9/1/16 - 6/30/17	984,663.16	-	-	932,358.76	(984,663.16)	-	-	(52,304.40)	-	
National School Lunch Program	10.555	16161NJ304N1099	7/1/15 - 6/30/16	955,107.05	(51,831.04)	-	51,631.04	-	-	-	-	-	
National School Breakfast Program	10.553	171NJ304N1099	9/1/16 - 6/30/17	89,013.15	-	-	83,902.24	(89,013.15)	-	-	(5,110.91)	-	
National School Breakfast Program	10.553	16161NJ304N1099	7/1/15 - 6/30/16	84,693.10	(5,473.81)	-	5,473.81	-	-	-	-	-	
Total Enterprise Fund					<u>(53,913.50)</u>		<u>1,270,858.45</u>	<u>(1,274,108.34)</u>			<u>(67,415.31)</u>	<u>251.92</u>	
Total Federal Awards					<u>\$ (540,673.16)</u>	<u>\$ -</u>	<u>\$4,698,596.38</u>	<u>\$ (4,683,943.41)</u>	<u>\$ 0.66</u>	<u>\$ -</u>	<u>\$ (545,155.11)</u>	<u>\$ 251.92</u>	

A = Inventory Value at June 30, 2017

See accompanying Notes to the Schedules of Awards and Financial Assistance

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

State Grants/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2016			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Passed-Through Funds	Repayment of Prior Year's Balance	Adjustments	June 30, 2017			Memo	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Reservable	Cumulative Total Expenditures
State Department of Education																
General Fund																
Equalization Aid	17-495-034-5120-078	7/1/16 - 6/30/17	\$ 36,713,533.00	\$	\$	\$	\$	\$ 36,713,533.00	\$ (36,713,533.00)	\$	\$	\$	\$	\$	\$	\$ 36,713,533.00
Special Education Aid	17-495-034-5120-089	7/1/16 - 6/30/17	5,572,334.00					5,572,334.00	(5,572,334.00)							5,572,334.00
Transportation Aid	17-495-034-5120-014	7/1/16 - 6/30/17	958,933.00					958,933.00	(958,933.00)							958,933.00
Additional Adjustment Aid	17-495-034-5120-085	7/1/16 - 6/30/17	437,066.00					437,066.00	(437,066.00)							437,066.00
PARCC Readiness Aid	17-495-034-5120-098	7/1/16 - 6/30/17	86,680.00					86,680.00	(86,680.00)							86,680.00
Pre Pupil Growth Aid	17-495-034-5120-097	7/1/16 - 6/30/17	86,680.00					86,680.00	(86,680.00)							86,680.00
Security Aid	17-495-034-5120-084	7/1/16 - 6/30/17	835,366.00					835,366.00	(835,366.00)							835,366.00
Professional Learning Community Aid	17-495-034-5120-101	7/1/16 - 6/30/17	89,150.00					89,150.00	(89,150.00)							89,150.00
On-Behalf TPAF Post-Retirement Medical Benefit Contributions	17-495-034-5095-001	7/1/16 - 6/30/17	5,836,156.00					5,836,156.00	(5,836,156.00)							5,836,156.00
On-Behalf TPAF Post-Retirement Pension Contributions	17-495-034-5095-002	7/1/16 - 6/30/17	7,004,277.00					7,004,277.00	(7,004,277.00)							7,004,277.00
On-Behalf TPAF Post-Retirement Non-Contributory Insurance Contributions	17-495-034-5095-004	7/1/16 - 6/30/17	9,252.00					9,252.00	(9,252.00)							9,252.00
Reimbursed TPAF Social Security Contribution	17-495-034-5095-002	7/1/16 - 6/30/17	4,880,709.43					4,844,182.51	(4,880,709.43)			(236,546.92)				4,880,709.43
Reimbursed TPAF Social Security Contribution	16-100-034-5095-002	7/1/15 - 6/30/16	4,540,732.87	(229,905.56)				229,905.56								
Extraordinary Aid	17-495-034-5120-044	7/1/16 - 6/30/17	2,227,413.00					2,227,413.00	(2,227,413.00)			(2,227,413.00)				2,227,413.00
Extraordinary Aid	16-495-034-5120-044	7/1/15 - 6/30/16	2,091,331.00	(2,091,331.00)				2,091,331.00								
Nonpublic Transportation Aid	Unknown	7/1/16 - 6/30/17	140,821.00					140,821.00	(140,821.00)			(140,821.00)				140,821.00
Nonpublic Transportation Aid	Unknown	7/1/15 - 6/30/16	147,052.00	(147,052.00)				147,052.00								
Total General Fund				(2,468,288.56)				64,741,878.07	(64,878,370.43)			(2,604,760.92)				64,878,370.43
Special Revenue Fund																
N.J. Nonpublic Aid																
Textbook Aid	17-100-034-5120-084	7/1/16 - 6/30/17	52,741.00					52,741.00	(50,793.82)					1,947.18		50,793.82
Textbook Aid	16-100-034-5120-064	7/1/15 - 6/30/16	57,159.00			3,127.00										
Nursing Services	17-100-034-5120-070	7/1/16 - 6/30/17	82,440.00					82,440.00	(60,059.52)					2,380.48		60,059.52
Nursing Services	16-100-034-5120-070	7/1/15 - 6/30/16	90,090.00			5,393.00										
Technology	17-100-034-5120-373	7/1/16 - 6/30/17	23,790.00					23,790.00	(22,217.59)					1,572.41		22,217.59
Technology	16-100-034-5120-373	7/1/15 - 6/30/16	26,028.00			3,607.00										
Security	17-100-034-5120-509	7/1/16 - 6/30/17	45,800.00					45,800.00	(40,007.46)					5,792.52		40,007.46
Security	16-100-034-5120-509	7/1/15 - 6/30/16	25,025.00			3,610.00										
Auxiliary Services:																
Public Transportation	17-100-034-5120-068	7/1/16 - 6/30/17	17,330.00					17,330.00	(17,330.00)							17,330.00
Compensatory Education	17-100-034-5120-067	7/1/16 - 6/30/17	109,266.00					109,266.00	(98,538.00)					10,728.00		98,538.00
Compensatory Education	16-100-034-5120-067	7/1/15 - 6/30/16	118,444.00			46,532.00										
English as a Second Language	17-100-034-5120-067	7/1/16 - 6/30/17	23,751.00					23,751.00	(11,876.00)					11,875.00		11,876.00
English as a Second Language	16-100-034-5120-067	7/1/15 - 6/30/16	25,883.00			10,353.00										
Handicapped Services:																
Supplemental Instruction	17-100-034-5120-066	7/1/16 - 6/30/17	32,252.00					32,252.00	(32,252.00)							32,252.00
Examination and Classification	17-100-034-5120-066	7/1/16 - 6/30/17	44,846.00					44,846.00	(44,124.00)					722.00		44,124.00
Examination and Classification	16-100-034-5120-066	7/1/15 - 6/30/16	52,660.00			18,908.00										
Corrective Speech	17-100-034-5120-066	7/1/16 - 6/30/17	47,709.00					47,709.00	(33,573.00)					14,136.00		33,573.00
Corrective Speech	16-100-034-5120-066	7/1/15 - 6/30/16	52,072.00			16,721.00										
Home Instruction	17-100-034-5120-066	7/1/16 - 6/30/17	5,064.00					5,064.00	(5,064.00)			(5,064.00)				5,064.00
Home Instruction	16-100-034-5120-066	7/1/15 - 6/30/16	7,513.00	(7,513.00)				7,513.00								
NJ Achievement Grant	16-TG06-A01	7/1/15 - 6/30/16	171,620.00	(31,836.43)				97,611.08	(65,774.65)							65,774.65
Total Special Revenue Fund				(36,349.43)		108,251.00		585,071.08	(501,610.06)			(5,064.00)		49,175.59		501,610.06

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

Schedule B
 Sheet #2

State Grant/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2016			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures Passed-Through Funds	Repayment of Prior Year's Balance	Adjustments	June 30, 2017			Memo	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education: Capital Projects Fund: Educational Facilities Construction Financing Act	3845-110-14-1007	7/1/14 - Ongoing	\$ 281,838.00	\$ (208,597.37)	\$ -	\$ -	\$ -	\$ 208,597.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Projects Fund				(208,597.37)				208,597.37								
Enterprise Fund National School Lunch Program	17-100-010-3360-067	7/1/16 - 6/30/17	30,986.27					26,547.50	(30,986.27)						4,437.77	30,986.27
National School Lunch Program	16-100-010-3360-067	7/1/15 - 6/30/16	31,359.01	(3,659.53)				3,659.53								
Total Enterprise Fund				(3,659.53)				30,207.03	(30,986.27)						4,437.77	30,986.27
Total State Financial Assistance				\$ (2,719,894.89)	\$ -	\$ 108,251.00	\$ -	\$ 85,555,753.55	\$ (65,410,966.76)	\$ 108,251.00	\$ -	\$ (2,614,283.89)	\$ -	\$ 49,175.59	\$ 7,045,156.69	\$ 65,410,966.76
Less: On-Behalf TPAF Pension System Contributions																
On-Behalf TPAF Post-Retirement Medical Benefit Contributions	17-495-034-5095-001															
On-Behalf TPAF Post-Retirement Pension Contributions	17-495-034-5095-002															
On-Behalf TPAF Post-Retirement Non-Contributory Insurance Contributions	17-495-034-5095-004															
Total for State Financial Assistance - Major Program Determination									\$ (52,561,281.76)							

See accompanying Notes to the Schedules of Awards and Financial Assistance

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2017

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Old Bridge Township School District. The School District is defined in Note 1(A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedule of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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 that 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 and capital projects fund are presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(15,485.00) for the general fund and \$ - 0 - for the special revenue fund. See Note 2 (the 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 revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 165,881.27	\$ 64,862,885.43	\$ 65,028,766.70
Special Revenue Fund	3,243,953.80	501,610.06	3,745,563.86
Capital Projects	587,500.00		587,500.00
Food Service	<u>1,270,968.91</u>	<u>30,986.27</u>	<u>1,301,955.18</u>
Totals	<u>\$ 5,268,303.98</u>	<u>\$ 65,395,481.76</u>	<u>\$ 70,663,785.74</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2017.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

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

On-Behalf TPAF Post-Retirement Medical Benefit Contributions represents the amount paid directly by the State of New Jersey for post-retirement medical benefits for TPAF members retired from the District for the year ended June 30, 2017.

7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

8. DE MINIMIS INDIRECT COST RATE

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

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

Section I - Summary of Auditor's Results

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes √ No

2) Significant deficiencies identified?

_____ Yes √ None Reported

Noncompliance material to basic financial statements noted?

_____ Yes √ No

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified?

_____ Yes √ No

2) Significant deficiencies identified?

_____ 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 .510(a) of the Uniform Guidance?

_____ Yes √ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program</u>
84.010	S010A160030	Title I, Part A
84.027	H027A160100	IDEA, Part B - Basic
10.555	171NJ304N1099	National School Lunch

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000.00

Auditee qualified as low-risk auditee?

 √ Yes _____ No

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

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

State Financial Assistance

Internal control over major programs:

- | | | | | | |
|---|-------|-----|-------|---|---------------|
| 1) Material weakness(es) identified | _____ | Yes | _____ | ✓ | No |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | _____ | 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 NJOMB Circular Letter 15-08?

_____ Yes _____ ✓ No

Identification of major programs:

GMIS Number(s)

Name of State Program

17-495-034-5120-078
17-495-034-5095-003
17-495-034-5120-089
17-495-034-5120-044

Equalization Aid
Reimbursed TPAF Social Security Contributions
Special Education Aid
Extraordinary Aid

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

\$1,576,838.45

Auditee qualified as low-risk auditee?

_____ ✓ Yes _____ No

Section II - Financial Statement Findings:

No financial statement findings that are required to be reported under *Government Auditing Standards*.

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

a) Federal Award Findings and Questioned Costs:

There were no findings or questioned costs for federal awards.

b) State Award Findings and Questioned Costs:

There were no findings or questioned costs for state financial assistance.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2017

There were no prior years' findings.