

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

New Gretna, New Jersey  
County of Burlington

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2018**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NEW GRETN, NEW JERSEY**

**YEAR ENDED JUNE 30, 2018**

**PREPARED BY DISTRICT FINANCE OFFICER  
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY  
STEPHEN J. BRENNAN**

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**INTRODUCTORY SECTION**

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# BASS RIVER TOWNSHIP ELEMENTARY SCHOOL

*Business Office:*  
520 Nugentown Road  
P.O. Box 248  
Little Egg Harbor, NJ  
08087

Telephone (609) 296-3106  
FAX (609) 294-9519

Mrs. Siobhan Grayson  
*Superintendent*

Mr. Nicholas Brown  
*Business Administrator/  
Board Secretary*

February 11, 2019

Honorable President and Members  
of the Board of Education  
Bass River Township School District  
County of Burlington, New Jersey

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report (CAFR) of the Bass River Township School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bass River Township School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

**Single Audit Section:**

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

**REPORTING ENTITY AND ITS SERVICES**

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

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

**AVERAGE DAILY ENROLLMENT  
(TEN-YEAR HISTORY)**

FISCAL YEAR	ENROLLMENT
2007-08	127.0
2008-09	107.0
2009-10	127.7
2010-11	120.3
2011-12	123.5
2012-13	126.0
2013-14	113.0
2014-15	110.1
2015-16	111.0
2016-17	102.0
2017-18	110.0

**ECONOMIC CONDITION AND OUTLOOK**

Based on current trends, the economic condition for the area appears stable. The housing market indicates as light increase after years of decline. A major impact on the school financial condition remains reliant on State Aid. In 2017-18 the State of New Jersey unexpectedly reduced state aid. It appears the District will face another reduction in fiscal year 2019. The District is in the process of determining potential impact to its instructional operation.

**MAJOR INITIATIVES**

The District will continue to focus on education for all students with particular emphasis on those at-risk. The School Board believes in the community school setting that it currently operates and will strive to maintain a student’s education experience within its walls. However, due to the size of the District and limited resources an occasion may occur that District will need to place a student in a school better equipped to handle his/her educational needs. While this situation creates an obvious disproportionate impact to Bass River, it also affects the student’s connection to their community. Therefore, the District will utilize all of its available resources to education resident student in the Bass River Township Elementary School.

## **INTERNAL ACCOUNTING CONTROLS**

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft and misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statement in conformity with general accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be delivered; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or included as re-appropriations of fund balance in the subsequent year.

## **ACCOUNTING SYSTEM AND REPORTS**

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

## **OTHER INFORMATION**

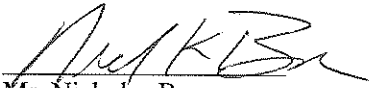
### *INDEPENDENT AUDIT*

State statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

**ACKNOWLEDGEMENTS**

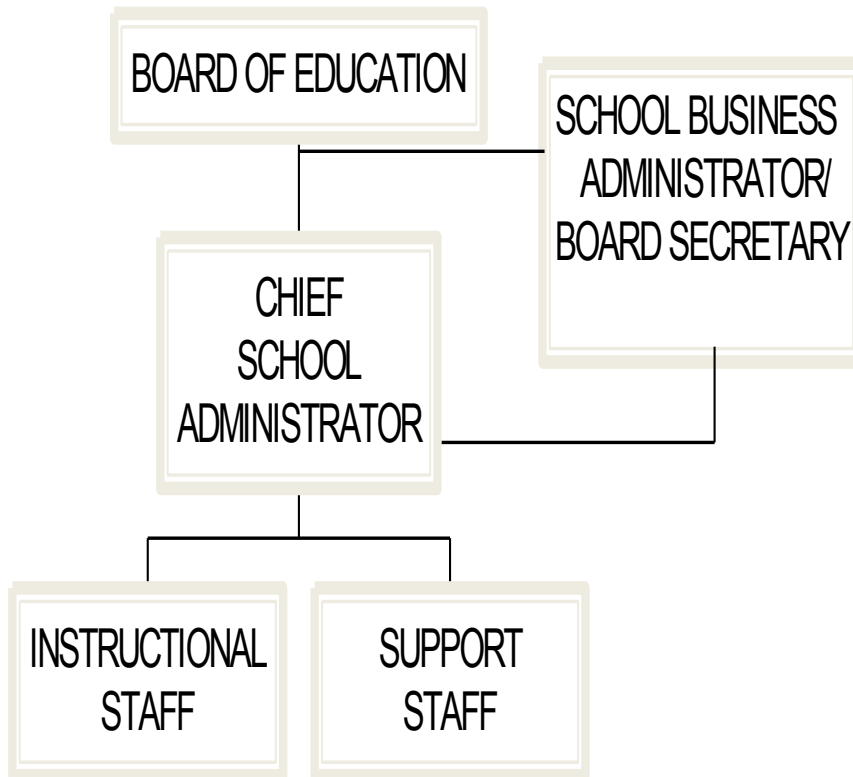
We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have accomplished without the efficient and dedicated services of our business office staff.

Respectfully submitted,



Mr. Nicholas Brown  
School Business Administrator/Board Secretary

# BASS RIVER SCHOOL DISTRICT ORGANIZATIONAL CHART



**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**11 North Maple Avenue**  
**New Gretna, New Jersey 08224**

**ROSTER OF OFFICIALS**

**JUNE 30, 2018**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Mrs. Jacqueline Heinrichs, President	2018
Mrs. Bonnie Adams	2019
Mr. John Allen	2020
Ms. Anastasia McGeoch	2018
Ms. Cindy Ruffo	2019

**OTHER OFFICIALS**

Dr. Detlef Kern, Interim Superintendent of Schools

Mr. Stephen J. Brennan, MBA, CPA, Business Administrator/Board Secretary

Ms. Kimberly Sprague, CPA, Treasurer of School Monies



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NEW GRETNA, NEW JERSEY  
CONSULTANTS AND ADVISORS  
JUNE 30, 2018**

**AUDITOR/AUDIT FIRM**

Jerry W. Conaty, CPA, PSA, CFE, RMA  
Holman Frenia Allison, P. C.  
680 Hooper Avenue  
Building B , Suite 201  
Toms River, New Jersey 08753

**ATTORNEY**

Paul Kalac  
Weiner Law Group  
629 Parsippany Road  
Parsippany, New Jersey 07054

**OFFICIAL DEPOSITORY**

Ocean First Bank  
975 Hooper Avenue  
Tins River, New Jersey 08753

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**FINANCIAL SECTION**

Second Section

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## INDEPENDENT AUDITORS REPORT

Honorable President and Members  
of the Board of Education  
Bass River Township School District  
County of Burlington

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bass River Township School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended, June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the, Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bass River Township School District, County of Burlington, State of New Jersey, as of June 30, 2018, 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.

## **Emphasis of Matter**

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2018 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57 and 74. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated on February 11, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Toms River, New Jersey  
February 11, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

As management of the Bass River Township School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Overview of the Basic Financial Statements**

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

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

**Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund and Capital Projects Fund.

**Fund Financial Statements**

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis (continued)**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

**Overview of the Basic Financial Statements (continued)**

**Fund Financial Statements (continued)**

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

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

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

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

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

**Notes to the Basic Financial Statements**

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

**Financial Analysis of the School District as a Whole**

Table 1 provides a summary of the School District's net position for the fiscal years 2018 compared to fiscal year 2017.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis (continued)**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

**Financial Analysis of the School District as a Whole (continued)**

**Table 1**  
**Summary of Net Position**

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 450,749.44	\$ 588,209.00	\$ (137,459.56)	-23.4%
Capital Assets, Net	640,493.59	540,118.00	100,375.59	18.6%
Total Assets	<u>1,091,243.03</u>	<u>1,128,327.00</u>	<u>(37,083.97)</u>	-3.3%
Deferred Outflow of Resources	<u>215,396.00</u>	<u>209,345.00</u>	<u>6,051.00</u>	2.9%
Current & Other Liabilities	183,974.38	238,889.00	(54,914.62)	-23.0%
Noncurrent Liabilities	<u>1,131,968.27</u>	<u>1,195,739.00</u>	<u>(63,770.73)</u>	-5.3%
Total Liabilities	<u>1,315,942.65</u>	<u>1,434,628.00</u>	<u>(118,685.35)</u>	-8.3%
Deferred Inflow of Resources	<u>184,939.00</u>	<u>94,852.00</u>	<u>90,087.00</u>	95.0%
Net Position:				
Net Investment in Capital Asset	140,389.32	318,704.00	(178,314.68)	-55.9%
Restricted	256,096.80	-	256,096.80	100.0%
Unrestricted (Deficit)	<u>(590,728.74)</u>	<u>(510,512.00)</u>	<u>(80,216.74)</u>	15.7%
Total Net Position	<u>\$ (194,242.62)</u>	<u>\$ (191,808.00)</u>	<u>\$ (2,434.62)</u>	1.3%

Table 2 shows the changes in net position for fiscal year 2018 compared to fiscal year 2017.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis (continued)**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

**Financial Analysis of the School District as a Whole (continued)**

**Table 2**  
**Summary of Changes in Net Position**

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Operating Grants & Contributions	\$ 1,205,750.46	\$ 423,169.00	\$ 782,581.46	184.9%
General Revenues:				
Property Taxes	1,484,708.00	1,455,596.00	29,112.00	2.0%
Federal & State Aid	875,354.00	869,142.00	6,212.00	0.7%
Other General Revenues	333.28	29,735.00	(29,401.72)	-98.9%
Total Revenues	<u>3,566,145.74</u>	<u>2,777,642.00</u>	<u>788,503.74</u>	28.4%
<b>Function/Program Expenses:</b>				
Regular Instruction	1,949,690.82	800,406.00	1,149,284.82	143.6%
Special Education Instruction	452,258.45	346,163.00	106,095.45	30.6%
Other Instruction	54,522.25	21,867.00	32,655.25	149.3%
Tuition	51,659.09	45,402.00	6,257.09	13.8%
Student & Instruction Related Services	353,046.95	273,761.00	79,285.95	29.0%
General Administrative	158,906.51	146,548.00	12,358.51	8.4%
School Administrative Services	99,025.50	68,108.00	30,917.50	45.4%
Plant Operations & Maintenance	194,712.37	165,777.00	28,935.37	17.5%
Central Services	55,322.55	-	55,322.55	100.0%
Pupil Transportation	184,847.47	90,283.00	94,564.47	104.7%
Unallocated Benefits	-	741,463.00	(741,463.00)	-100.0%
Interest & Other Charges	14,588.40	9,374.00	5,214.40	55.6%
Unallocated Depreciation	-	38,772.00	(38,772.00)	-100.0%
Total Expenses	<u>3,568,580.36</u>	<u>2,747,924.00</u>	<u>820,656.36</u>	29.9%
Change In Net Position	(2,434.62)	29,718.00	(32,152.62)	-108.2%
Net Position - Beginning	<u>(191,808.00)</u>	<u>(221,526.00)</u>	29,718.00	-13.4%
Net Position - Ending	<u>\$ (194,242.62)</u>	<u>\$ (191,808.00)</u>	<u>\$ (2,434.62)</u>	1.3%

**Governmental Activities**

During the fiscal year 2018, the net position of governmental activities decreased by \$2,434.62 or 1.3%.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
Management’s Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)**

**Governmental Activities (continued)**

The liabilities and deferred inflows of the primary government activities exceeded assets and deferred outflows by \$194,242.62, with an unrestricted deficit balance of \$590,728.74. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

**Table 3  
GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$ (194,242.62)
Add back: PERS Pension Liability	560,731.00
Less: Deferred Outflows related to pensions	(215,396.00)
Add back: Deferred Inflows related to pensions	<u>184,939.00</u>
Unrestricted Net Position (Without GASB 68)	<u><u>\$ 336,031.38</u></u>

**General Fund Budgeting Highlights**

Final budgeted revenues was \$2,353,673.00 which was equal to the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$4,954.28.

Final budgeted appropriations was \$2,429,646.76. Excluding nonbudgeted revenues, the School District’s budget appropriations exceeded actual expenditures by \$9,319.63.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$124,327.15 at June 30, 2017, a decrease of \$61,699.85 from the prior year.

**Governmental Funds**

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$293,522.95, a decrease of \$172,835.05 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District’s general fund decreased by \$59,931.85. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Increased reliance on appropriated fund balance from decrease in state aid

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
Management’s Discussion and Analysis (continued)  
For the Fiscal Year Ended June 30, 2018  
(Unaudited)**

**Governmental Funds (continued)**

*Special revenue fund* – There was no change in the fund balance for the special revenue fund.

*Capital projects fund* - During the current fiscal year, the fund balance of the School District’s capital projects fund decreased by \$112,903.20. The primary factor affecting the change in fund balance of the capital projects fund is as follows:

- Spending on the capital lease for the School District’s energy savings improvement plan.

**Capital Assets**

The School District’s capital assets for its governmental as of June 30, 2018, totaled \$540,118 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District’s investment in capital assets for the current fiscal year in the amount of \$100,375.59. This increase is primarily due to the current year School District’s energy saving improvement plan. Table 3 shows fiscal 2018 balances compared to 2017.

**Table 4  
Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Construction in Progress	\$ 90,058.16	\$ -	\$ 90,058.16	100.0%
Land Improvements	38,940.43	43,651.00	(4,710.57)	-10.8%
Building and Improvements	445,177.92	473,586.00	(28,408.08)	-6.0%
Equipment	66,317.08	22,881.00	43,436.08	189.8%
	<u>\$ 640,493.59</u>	<u>\$ 540,118.00</u>	<u>\$ 100,375.59</u>	18.6%

Depreciation expense for the year was \$48,075.63. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 4) of this report.

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total capital leases outstanding of \$500,104.27, which is a decrease of \$90,309.54 from the prior year.

Additional information on the School District’s long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis (continued)**  
**For the Fiscal Year Ended June 30, 2018**  
**(Unaudited)**

**Factors on the School District's Future**

A significant reliance on State Aid funding drives education in the Bass River Township School District. Unexpected decrease in state aid for fiscal year 2018 and another decrease for fiscal year 2019 will tax the District's already strained resources. Due to the limited resources of a small school district, out of district placements present another difficult challenge.

**Contacting the School Districts Financial Management**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Nick Brown, Business Administrator/Board Secretary at the Bass River Township School District, 520 Nugent own Road, P.O. Box 248, Little Egg Harbor, NJ 08087 -0248. Readers can also visit the School District's website at [www.bassriverschools.org](http://www.bassriverschools.org).

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**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS:</b>		
Cash & Cash Equivalents	\$ 418,059.59	\$ 418,059.59
Receivables, Net (Note 3)	32,689.85	32,689.85
Capital Assets, Net (Note 4)		
Non-Depreciable	90,058.16	90,058.16
Depreciable	550,435.43	550,435.43
Total Assets	1,091,243.03	1,091,243.03
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Related to Pensions (Note 7)	215,396.00	215,396.00
Total Deferred Outflow of Resources	215,396.00	215,396.00
<b>LIABILITIES:</b>		
Accounts Payable	128,175.49	128,175.49
Due to Other Governments	22,315.00	22,315.00
Unearned Revenue	23,000.00	23,000.00
Accrued Interest	4,432.89	4,432.89
Other Liabilities	6,051.00	6,051.00
Noncurrent Liabilities (Note 6):		
Due Within One Year	85,800.82	85,800.82
Due in More Than One Year	1,046,167.45	1,046,167.45
Total Liabilities	1,315,942.65	1,315,942.65
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Related to Pensions (Note 7)	184,939.00	184,939.00
Total Deferred Inflow of Resources	184,939.00	184,939.00
<b>NET POSITION:</b>		
Net Investment in Capital Assets	140,389.32	140,389.32
Restricted for:		
Capital Projects	256,096.80	256,096.80
Unrestricted (Deficit) (Note 18)	(590,728.74)	(590,728.74)
Total Net Position	\$ (194,242.62)	\$ (194,242.62)

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 1,949,690.82	\$ -	\$ 860,376.95	\$ -	\$ (1,089,313.87)	\$ (1,089,313.87)
Special Education Instruction	452,258.45	-	167,994.25	-	(284,264.20)	(284,264.20)
Other Instruction	54,522.25	-	20,252.63	-	(34,269.62)	(34,269.62)
Support Services:						
Tuition	51,659.09	-	-	-	(51,659.09)	(51,659.09)
Student & Instruction Related Services	353,046.95	-	56,980.06	-	(296,066.88)	(296,066.88)
General Administrative	158,906.51	-	19,892	-	(139,014.28)	(139,014.28)
School Administrative Services	99,025.50	-	12,396	-	(86,629.30)	(86,629.30)
Central Services	55,322.55	-	6,925	-	(48,397.16)	(48,397.16)
Plant Operations & Maintenance	194,712.37	-	35,680	-	(159,032.77)	(159,032.77)
Pupil Transportation	184,847.46	-	25,253	-	(159,594.32)	(159,594.32)
Interest & Other Charges	14,588.40	-	-	-	(14,588.40)	(14,588.40)
Total Governmental Activities	3,568,580.36	-	1,205,750.46	-	(2,362,829.90)	(2,362,829.90)
Total Primary Government	\$ 3,568,580.36	\$ -	\$ 1,205,750.46	\$ -	(2,362,829.90)	(2,362,829.90)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes					1,484,708.00	1,484,708.00
Federal & State Aid Not Restricted					875,354.00	875,354.00
Miscellaneous					333.28	333.28
Total General Revenues					2,360,395.28	2,360,395.28
Change In Net Position					(2,434.62)	(2,434.62)
Net Position - Beginning					(191,808.00)	(191,808.00)
Net Position - Ending					(194,242.62)	(194,242.62)



## **B. Fund Financial Statements**

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## **Governmental Funds**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2018**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 177,795.73	\$ -	\$ 256,096.80	\$ 433,892.53
Receivables, Net:				
Interfund Receivable	5,960.71	-	-	5,960.71
Due from Other Governments:				
Federal	-	16,640.18	-	16,640.18
State	6,939.95	-	-	6,939.95
Other Accounts Receivable	-	3,149.01	-	3,149.01
Total Assets	<u>\$ 190,696.39</u>	<u>\$ 19,789.19</u>	<u>\$ 256,096.80</u>	<u>\$ 466,582.38</u>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Cash Deficit	\$ -	\$ 15,832.94	\$ -	\$ 15,832.94
Accounts Payable	124,219.24	3,956.25	-	128,175.49
Unearned Revenue	23,000.00	-	-	23,000.00
Other Liabilities	6,051.00	-	-	6,051.00
Total Liabilities	<u>153,270.24</u>	<u>19,789.19</u>	<u>-</u>	<u>173,059.43</u>
Fund Balances:				
Restricted for:				
Capital Projects	-	-	256,096.80	256,096.80
Assigned to:				
Designated for				
Subsequent Year	37,426.15	-	-	37,426.15
Total Fund Balances	<u>37,426.15</u>	<u>-</u>	<u>256,096.80</u>	<u>293,522.95</u>
Total Liabilities & Fund Balances	<u>\$ 190,696.39</u>	<u>\$ 19,789.19</u>	<u>\$ 256,096.80</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,932,743.90 and the accumulated depreciation is \$1,292,250.31.				
				640,493.59
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.				
				215,396.00
				(184,939.00)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.				
				(4,432.89)
Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position				
				(22,315.00)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				
				<u>(1,131,968.27)</u>
Net Position of Governmental Activities				<u>\$ (194,242.62)</u>

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2018**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,484,708.00	\$ -	\$ -	\$ 1,484,708.00
Miscellaneous	333.28	23,691.00	-	24,024.28
Total Local Sources	1,485,041.28	23,691.00	-	1,508,732.28
State Sources	1,219,763.46	-	-	1,219,763.46
Federal Sources	-	120,796.00	-	120,796.00
Total Revenues	2,704,804.74	144,487.00	-	2,849,291.74
Expenditures:				
Instruction:				
Regular Instruction	825,202.56	136,152.00	-	961,354.56
Special Education Instruction	222,999.83	-	-	222,999.83
Other Instruction	26,883.86	-	-	26,883.86
Support Services:				
Tuition	51,659.09	-	-	51,659.09
Attendance & Social Work Services	16,419.33	-	-	16,419.33
Health Services	63,205.63	-	-	63,205.63
Student & Instruction Related Services	178,724.18	8,335.00	-	187,059.18
General Administrative	109,054.05	-	-	109,054.05
School Administrative Services	67,959.03	-	-	67,959.03
Central Services	37,966.65	-	-	37,966.65
Plant Operations & Maintenance	195,604.28	-	-	195,604.28
Pupil Transportation	138,443.91	-	-	138,443.91
Unallocated Benefits	486,204.73	-	-	486,204.73
On Behalf TPAF Pension and Social Security Contributions	344,409.46	-	-	344,409.46
Capital Outlay	-	-	112,903.20	112,903.20
Total Expenditures	2,764,736.59	144,487.00	112,903.20	3,022,126.79
Excess/(Deficiency) of Revenues Over Expenditures	(59,931.85)	-	(112,903.20)	(172,835.05)
Net Changes in Fund Balances	(59,931.85)	-	(112,903.20)	(172,835.05)
Fund Balance, July 1	97,358.00	-	369,000.00	466,358.00
Fund Balance, June 30	\$ 37,426.15	\$ -	\$ 256,096.80	\$ 293,522.95

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ (172,835.05)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
	Depreciation Expense	\$ (48,075.63)
	Capital Outlays	<u>148,451.14</u>
		100,375.51
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		(14,956.27)
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		90,309.54
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an reeducation in the reconciliation (-).		
		2,295.65
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(7,624.00)</u>
Change in Net Position of Governmental Activities		<u><u>\$ (2,434.62)</u></u>

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**Proprietary Funds**

*Not Applicable*

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## **Fiduciary Fund**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>AGENCY FUNDS</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$ 25,746.49	\$ 14,133.35
Total Assets	<u>\$ 25,746.49</u>	<u>\$ 14,133.35</u>
<b>LIABILITIES</b>		
Interfund Payable	\$ -	\$ 5,960.71
Payable for Student Related Activities	-	5,082.96
Payroll Deductions & Withholdings	-	3,089.68
Total Liabilities	<u>-</u>	<u>\$ 14,133.35</u>
<b>NET POSITION</b>		
Restricted - Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 25,746.49</u>	
Total Net Position	<u>\$ 25,746.49</u>	

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2018**

	<b>UNEMPLOYMENT COMPENSATION TRUST</b>
<b>ADDITIONS</b>	
Investment Earnings:	
Interest	\$ 48.28
Net Investment Earnings	48.28
Total Additions	48.28
<b>DEDUCTIONS</b>	
Unemployment Claims	400.80
Total Deductions	400.80
Change in Net Position	(352.52)
Net Position - Beginning	26,099.01
Net Position - Ending	\$ 25,746.49

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**Note 1. Summary of Significant Accounting Policies**

**Basis of Presentation**

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

**Reporting Entity**

The School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members appointed to three-year terms. These terms are staggered so that two members’ terms expire in two years and one members term expires in the third. The purpose of the School District is to educate student in grades pre-kindergarten through sixth at its one school. The School District has an approximate enrollment at June 30, 2018 of 110 students.

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

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

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

**Component Units**

GASB Statement No.14, *The Financial Reporting Entity* , provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* , and GASB 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* . The School District had no component units as of for the year ended June 30, 2018.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting, Measurement Focus and Financial Statement Presentation**

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

**A. Government-Wide Financial Statements**

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

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

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

**B. Governmental Fund Financial Statements**

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

The School District reports the following major governmental funds:

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

As required by the New Jersey Department of Education the School District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

**Special Revenue Fund** - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Fiduciary Fund Financial Statements**

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

The School District reports the following fiduciary funds:

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

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

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

**Budgets/Budgetary Control**

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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

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

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

**Encumbrances**

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

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

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Cash, Cash Equivalents and Investments**

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

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

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

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

**Tuition Receivable/Payable**

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

**Inventories**

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

**Interfund Receivables/Payables**

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

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

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

**Compensated Absences**

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

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

**Unearned Revenue**

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



**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Accrued Liabilities and Long-Term Obligations**

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

**Accounting Estimates**

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

**Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Pensions**

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

**Fund Balance**

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

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

**Net Position**

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

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 11, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. See Note 19 for more information.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

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

Recently Issued Accounting Pronouncements

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

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

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

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

**Note 2. Deposits and Investments**

**Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the School District's bank balance of \$242,066.54 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	242,066.54
		242,066.54
Total	\$	242,066.54

**Investments**

The School District had no investments at June 30, 2018.

**Note 3. Accounts Receivable**

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All receivables are

<u>Description</u>	Governmental Funds		Total Governmental <u>Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Federal Awards	\$ -	\$ 16,640.18	\$ 16,640.18
State Awards	6,939.95	-	6,939.95
Other	5,960.71	3,149.01	9,109.72
Total	\$ 12,900.66	\$ 19,789.19	\$ 32,689.85

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 4. Capital Assets**

Capital assets activity for the year ended June 30, 2018 was as follows:

	Governmental Activities			Balance June 30, <u>2018</u>
	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 90,058.16	\$ -	\$ 90,058.16
Total Capital Assets not being depreciated	-	90,058.16	-	90,058.16
Capital Assets being depreciated:				
Land Improvements	97,111.55	-	-	97,111.55
Buildings and Improvements	1,508,444.61	-	-	1,508,444.61
Equipment	178,736.64	58,392.94	-	237,129.58
Total Capital Assets being depreciated	1,784,292.80	58,392.94	-	1,842,685.74
Less: Accumulated Depreciation:				
Land Improvements	(53,460.23)	(4,710.89)	-	(58,171.12)
Buildings and Improvements	(1,034,859.46)	(28,407.23)	-	(1,063,266.69)
Equipment	(155,854.99)	(14,957.51)	-	(170,812.50)
Total Accumulated Depreciation	(1,244,174.68)	(48,075.63)	-	(1,292,250.31)
Total Capital Assets being depreciated, net	540,118.12	10,317.31	-	550,435.43
Total Governmental Activities Capital Assets, net	\$ 540,118.12	\$ 100,375.47	\$ -	\$ 640,493.59

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 4. Capital Assets (Continued)**

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

Governmental Activities

Instruction:

Regular Instruction	\$ 22,801.61
Special Education Instruction	5,289.16
Other Instruction	637.64

Support Services:

Student & Instruction Related Services	6,325.27
General Administrative	2,586.57
School Administrative Services	1,611.87
Central Services	900.50
Plant Operations & Maintenance	4,639.38
Pupil Transportation	3,283.64

Total Depreciation Expense - Governmental Activities	\$ 48,075.63
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**Note 5. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2018 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 5,960.71	\$ -
Agency Fund	-	5,960.71
	\$ 5,960.71	\$ 5,960.71

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

There were no interfund transfers for the year ended June 30, 2018.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 6. Long-Term Obligations**

During the fiscal year-ended June 30, 2018 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>June 30, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
Capital Leases	\$ 590,413.81	\$ -	\$ 90,309.54	\$ 500,104.27	\$ 85,800.82
Compensated Absences	63,509.00	7,624.00	-	71,133.00	-
Net Pension Liability	632,125.00	-	71,394.00	560,731.00	-
	<u>\$ 1,286,047.81</u>	<u>\$ 7,624.00</u>	<u>\$ 161,703.54</u>	<u>\$ 1,131,968.27</u>	<u>\$ 85,800.82</u>

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

**Capital Lease Payable**

On July 2, 2014, the School District entered into a lease purchase agreement in the amount of \$100,000 for the purchase of equipment and textbooks. The lease obligation was issued at an interest rate of 2.395% and matures on July 15, 2018.

On June 15, 2015, the School District entered into a lease purchase agreement in the amount of \$100,000 for the construction of a security vestibule. The lease obligation was issued at an interest rate of 2.230% and matures on October 15, 2019.

On June 18, 2015, the School District entered into a lease purchase agreement in the amount of \$80,000 for the purchase of equipment. The lease obligation was issued at an interest rate of 2.190% and matures on February 1, 2020.

On August 1, 2016, the School District entered into a lease purchase agreement in the amount of \$80,000 for the purchase of equipment. The lease obligation was issued at an interest rate of 3.907% and matures on November 15, 2020.

On April 4, 2017, the School District entered into a lease purchase agreement in the amount of \$369,000 for improvements in accordance with an energy savings improvement plan. The lease obligation was issued at an interest rate of 3.220% and matures on September 1, 2032.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 6. Long-Term Obligations (Continued)**

**Capital Lease Payable**

The Future minimum lease payments for these leases is as follows:

	Fiscal Year Ending	
	<u>June 30,</u>	<u>Total</u>
	2019	\$ 101,203.21
	2020	85,147.76
	2021	47,849.19
	2022	31,058.39
	2023	31,758.04
	2024-2028	153,161.52
	2029-2033	153,641.74
		603,819.85
Total Minimum Lease Payments		603,819.85
Less: Amount Representing Interest		(103,715.58)
Present Value of Minimum Lease Payments		\$ 500,104.27

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

**Bonds Authorized but not Issued**

As of June 30, 2018, the School District had no bonds authorized but not issued.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2018, the School District reported a liability of \$560,731.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was 0.0024088044%, which was an increase of 0.0002744837% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$34,958.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 13,203.00	\$ -
Changes of Assumptions	112,968.00	112,554
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,818.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	65,407.00	72,385.00
School District contributions subsequent to measurement date	20,000.00	-
	\$ 215,396.00	\$ 184,939.00

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

\$215,396.00 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending <u>June 30,</u></b>		
2019	\$	5,817.00
2020		12,485.00
2021		6,398.00
2022		(7,565.00)
2023		(6,678.00)
	<u>\$</u>	<u>10,457.00</u>

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	-
June 30, 2016	5.72	-
June 30, 2017	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	6.44	-
June 30, 2016	5.72	-
June 30, 2017	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	5.00	-
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between District Contributions		
Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the School District's proportionate share of the net pension liability as of June 30, 2017, calculated using the discount rate of 5.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

	<b>At 1% Decrease <u>(4.00%)</u></b>	<b>At Current Discount Rate <u>(5.00%)</u></b>	<b>At 1% Increase <u>(6.00%)</u></b>
School District's Proportionate Share of the Net Pension Liability	\$ 695,625.00	\$ 560,731.00	\$ 448,348.00

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 5,396,431,901.00	\$ 7,815,204,785.00
Collective Deferred Inflows of Resources	\$ 4,672,602,040.00	-
Collective Net Pension Liability	\$23,278,401,588.00	\$29,617,131,759.00
School District's portion	0.00241%	0.00213%

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

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

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

The following represents the membership tiers for TPAF:

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

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

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

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$7,447,585.00. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0110459601%, which was a decrease of 0.0004877342% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized a pension expense in the amount of \$515,931.00 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2017 measurement date.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

**Actuarial Assumptions** – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2016 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 (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate** – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 4.25% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

	<b>At 1% Decrease <u>(3.25%)</u></b>	<b>At Current Discount Rate <u>(4.25%)</u></b>	<b>At 1% Increase <u>(5.25%)</u></b>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 8,847,965.00	\$ 7,447,585.00	\$ 6,293,946.00

**Pension Plan Fiduciary Net Position** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the 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.

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2018 and 2017:

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$14,353,461,035.00	\$17,581,004,496.00
Collective Deferred Inflows of Resources	\$11,992,821,439.00	\$ 300,836,088.00
Collective Net Pension Liability	\$67,670,209,171.00	\$79,028,907,033.00
 School District's portion	 0.01046%	 0.01153%

**C. Defined Contribution Retirement Plan (DCRP)**

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 7. Pension Plans (Continued)**

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

For the year ended June 30, 2018, employee contributions totaled \$1,948.75, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$1,285.97.

**Note 8. Other Post-Retirement Benefits**

**General Information about the OPEB Plan**

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

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

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

**Basis of Presentation**

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**Inflation Rate** 2.50%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount- Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

**OPEB Obligation and OPEB Expense** - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2017 was \$8,001,714.00. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.01491748%, which was an increase of 0.00005211% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$478,759.00 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Discount Rate**

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2017</b>		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 9,498,611.81	\$ 8,001,714.00	\$ 6,814,360.43
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$ 53,639,841,858.00	\$ 45,680,364,953.00
	<b>June 30, 2016</b>		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 10,299,279.47	\$ 8,596,909.00	\$ 7,256,925.23
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,283,705,084.00	\$ 57,831,784,184.00	\$ 48,817,654,566.00

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

**Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:**

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>June 30, 2017</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 6,580,636.24	\$ 8,001,714.00	\$ 9,888,888.55
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560.00	\$ 53,639,841,858.00	\$ 66,290,599,457.00

	<b>June 30, 2016</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 7,054,003.20	\$ 8,596,909.00	\$ 10,659,627.04
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164.00	\$ 57,831,784,184.00	\$ 71,707,778,970.00

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2017 are as follows:

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Change in Proportion	\$ 99,843,255.00	\$ (99,843,255.00)
Change in Assumptions	-	(6,343,769,032.00)
Contributions Made in Fiscal Year Year Ending 2018 After June 30, 2017 Measurement Date **	1,190,373,242.00	-
	<u>\$ 1,290,216,497.00</u>	<u>\$ (6,443,612,287.00)</u>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 8. Other Post-Retirement Benefits (continued)**

**Additional Information (continued):**

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

Fiscal Year Ending June 30,	
2018	\$ (742,830,097.00)
2019	(742,830,097.00)
2020	(742,830,097.00)
2021	(742,830,097.00)
2022	(742,830,097.00)
Thereafter	(2,629,618,547.00)
	\$ (6,343,769,032.00)

\*\* Employer Contributions made after June 30, 2017 are reported as a deferred outflow of resources, but are not amortized in expense.

**Plan Membership**

At June 30, 2016, the Program membership consisted of the following:

	June 30, 2016
Active Plan Members	223,747.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331.00
	366,078.00

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 2,391,878,884.00
Interest Cost	1,699,441,736.00
Changes of Assumptions	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Gross Benefit Payments	(1,242,412,566.00)
Net Change in Total OPEB Liability	(4,191,942,326.00)
Total OPEB Liability (Beginning)	57,831,784,184.00
Total OPEB Liability (Ending)	\$ 53,639,841,858.00
Total Covered Employee Payroll	13,493,400,208.00
Net OPEB Liability as a Percentage of Payroll	398%

**Note 9. On-Behalf Payments for Fringe Benefits and Salaries**

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$168,807.00, \$66,309.46, \$109,029.00 and \$264.00, respectively.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 10. Risk Management**

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

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

<u>Fiscal Year</u>	<u>Intest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 48.28	\$ 400.80	25,746.49
2016-2017	34.00	99.00	26,099.01
2015-2016	34.00	149.00	26,164.01

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

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

Property - Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers' Compensation
School Board Legal Liability	Comprehensive Crime Coverage
Employers Liability	Excess Liability

**Note 11. Contingencies**

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

**Litigation** – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 11. Contingencies (Continued)**

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

**Note 12. Deferred Compensation**

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

Equitable	Northwestern Mutual
Wells Fargo	Valic

**Note 13. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2018, the liability for compensated absences reported was \$71,133.00.

**Note 14. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 14. Tax Abatements (Continued)**

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

**Note 15. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The School District had no excess fund balance at June 30, 2018.

**Note 16. Fund Balances**

**General Fund** – Of the \$37,426.15 General Fund fund balance at June 30, 2018, \$37,426.15 has been assigned to other purposes.

**Capital Projects Fund** – Of the \$256,096.80 Capital Projects Fund fund balance at June 30, 2018, \$256,096.80 is restricted for future capital expenditures.

**Note 18. Deficit in Net Position**

**Unrestricted Net Position** – The School District governmental activities had a deficit in unrestricted net position in the amount of \$590,728.74 at June 30, 2018. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2018. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 19. Subsequent Events**

On July 13, 2018 the School District received a revised state aid notice from that State of New Jersey for its budget for the year ended June 30, 2019. This revised notice included a decrease in the School District's state aid of \$31,195.00. The New Jersey Department of Education authorized school districts that received a decrease in state aid to transfer additional unassigned general fund surplus into the budget for the year ended June 30, 2018. The School District approved a resolution dated July 31, 2018 to transfer additional unassigned general fund surplus in the amount of \$31,195.00 into the budget to compensate for the decrease in state aid.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### **C. Budgetary Comparison Schedules**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 1,484,708.00	\$ -	\$ 1,484,708.00	\$ -
Unrestricted Miscellaneous Revenues	-	-	-	333.28
Total Local Sources	1,484,708.00	-	1,484,708.00	333.28
State Sources:				
Categorical Transportation Aid	25,972.00	-	25,972.00	-
Extraordinary Aid	-	-	-	3,102.00
Categorical Special Education Aid	67,203.00	-	67,203.00	-
Equalization Aid	638,484.00	-	638,484.00	-
Categorical Security Aid	22,124.00	-	22,124.00	-
Adjustment Aid	129,586.00	(17,734.00)	111,852.00	-
PARCC Readiness Aid	1,150.00	-	1,150.00	-
Per Pupil Growth Aid	1,150.00	-	1,150.00	-
Professional Learning Community Aid	1,030.00	-	1,030.00	-
Other State Aids	-	-	-	553.00
Lead Testing	-	-	-	966.00
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	168,807.00
TPAF Social Security (reimbursed)	-	-	-	66,309.46
TPAF Post Retirements	-	-	-	109,029.00
TPAF Long-Term Disability Insurance (on behalf)	-	-	-	264.00
Total State Sources	886,699.00	(17,734.00)	868,965.00	349,030.46
Total Revenues	2,371,407.00	(17,734.00)	2,353,673.00	349,363.74
Current Expense:				
Regular Programs - Instruction:				
Preschool - Salaries of Teachers	36,167.00	(14,256.00)	21,911.00	21,815.58
Kindergarten - Salaries of Teachers	68,523.00	(722.00)	67,801.00	-
Grades 1-5 - Salaries of Teachers	480,000.00	(34,835.00)	445,165.00	0.38
Grades 6-8 - Salaries of Teachers	69,496.00	2,466.00	71,962.00	561.00
Regular Programs - Home Instruction:				
Salaries of Teachers	1,500.00	50.00	1,550.00	0.76
Other Salaries for Instruction	86,336.00	(86,336.00)	-	-
General Supplies	26,443.00	(26,443.00)	-	-
Textbooks	500.00	(500.00)	-	-
Other Objects	2,847.00	(2,847.00)	-	-

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2018

	ACCOUNT NUMBERS	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	-	80,056.00	80,056.00	8.61
Purchased Technical Services	11-190-100-340	500.00	-	500.00	-
Other Purchased Services	11-190-100-500	89,056.00	15,881.00	104,937.00	19.97
General Supplies	11-190-100-610	-	25,083.00	25,083.00	203.99
Textbooks	11-190-100-640	-	4,960.00	4,960.00	0.87
Other Objects	11-190-100-800	-	2,347.00	2,347.00	178.44
Total Regular Programs - Instruction		861,368.00	(35,096.00)	826,272.00	1,069.44
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	159,429.00	53,358.00	212,787.00	0.68
Other Purchased Services	11-213-100-500	3,977.00	-	3,977.00	0.26
General Supplies	11-213-100-610	2,861.00	3,376.00	6,237.00	0.23
Total Resource Room/Resource Center		166,267.00	56,734.00	223,001.00	1.17
Special Education - Instruction:					
Preschool Disabilities - Full-Time:					
Purchased Professional - Educational Services	11-216-100-320	400.00	(400.00)	-	-
Total Preschool Disabilities - Full-Time		400.00	(400.00)	-	-
Total Special Education - Instruction		166,667.00	56,334.00	223,001.00	1.17
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	11-230-100-101	36,975.00	(36,195.00)	780.00	-
General Supplies	11-230-100-610	2,452.00	(585.62)	1,866.38	18.16
Total Basic Skills/Remedial - Instruction		39,427.00	(36,780.62)	2,646.38	18.16
School-Sponsored Cooccurricular/Extra Curricular Activities - Instruction:					
Salaries	11-401-100-100	16,000.00	1,250.00	17,250.00	1.56
Total School-Sponsored Cooccurricular/Extra Curricular Activities - Instruction		16,000.00	1,250.00	17,250.00	1.56
Summer School - Instruction:					
Salaries of Teachers	11-422-100-101	7,879.00	(770.00)	7,109.00	101.80
Total Summer School - Instruction		7,879.00	(770.00)	7,109.00	101.80
Undistributed Expenditures - Instruction (Tuition):					
				7,007.20	101.80

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Tuition to Other LEAs Within State - Special	11-000-100-562	15,000.00	36,703.00	51,703.00	43.91
Total Undistributed Expenditures - Instruction (Tuition)		15,000.00	36,703.00	51,703.00	43.91
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	11,540.00	524.99	12,064.99	0.66
Purchased Professional and Technical Services	11-000-211-300	4,185.00	170.00	4,355.00	-
Total Undistributed Expenditures Attendance and Social Work		15,725.00	694.99	16,419.99	0.66
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	55,392.00	1,378.00	56,770.00	1.78
Purchased Professional & Technical Services	11-000-213-300	5,000.00	(503.00)	4,497.00	46.25
Other Purchased Services	11-000-213-500	500.00	(259.00)	241.00	196.12
Supplies and Materials	11-000-213-600	2,015.00	-	2,015.00	73.22
Total Undistributed Expenditures - Health Services		62,907.00	616.00	63,523.00	317.37
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	11-000-216-320	15,000.00	9,313.00	24,313.00	700.16
Total Undistributed Expenditures - Speech, OT, PT and Related Services		15,000.00	9,313.00	24,313.00	700.16
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	67,149.00	(0.49)	67,148.51	835.96
Purchased Professional - Educational Services	11-000-219-320	23,000.00	-	23,000.00	84.00
Other Purchased Services	11-000-219-500	460.00	(460.00)	-	-
Miscellaneous Purchased Services	11-000-219-592	-	719.00	719.00	-
Supplies and Materials	11-000-219-600	1,897.00	-	1,897.00	113.32
Total Undistributed Expenditures - Child Study Teams		92,506.00	258.51	92,764.51	1,033.28
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Sec. and Clerical Assist.	11-000-221-105	37,657.00	(2,500.17)	35,156.83	339.06
Other Purchased Services	11-000-221-500	3,300.00	(600.00)	2,700.00	16.02
Supplies and Materials	11-000-221-600	300.00	-	300.00	87.00

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Undistributed Expenditures - Improvement of Instruction Services	41,257.00	(3,100.17)	38,156.83	37,714.75	442.08
Undistributed Expenditures - Educational Media Services/Library:					
Purchased Professional and Technical Services	19,900.00	(33.00)	19,867.00	19,066.67	800.33
Supplies and Materials	6,300.00	-	6,300.00	6,263.94	36.06
Total Undistributed Expenditures - Educational Media Services/Library	26,200.00	(33.00)	26,167.00	25,330.61	836.39
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	500.00	-	500.00	334.75	165.25
Total Undistributed Expenditures - Instructional Staff Training Services	500.00	-	500.00	334.75	165.25
Undistributed Expenditures - Support Services - General Administration:					
Salaries	60,173.00	(2,908.14)	57,264.86	57,264.42	0.44
Legal Services	7,700.00	(1,165.00)	6,535.00	6,534.00	1.00
Audit Fees	13,000.00	2,715.00	15,715.00	15,715.00	-
Other Purchased Professional Services	11,500.00	(4,410.00)	7,090.00	7,068.49	21.51
Communications/Telephone	10,000.00	1,378.00	11,378.00	11,377.33	0.67
Other Purchased Services	3,000.00	1,400.00	4,400.00	3,994.83	405.17
General Supplies	6,120.00	(1,000.00)	5,120.00	5,069.28	50.72
Miscellaneous Expenditures	2,480.00	(200.00)	2,280.00	1,992.70	287.30
BOE Membership Dues and Fees	1,975.00	(1,800.00)	175.00	38.00	137.00
Total Undistributed Expenditures - Support Services - General Administration	115,948.00	(5,990.14)	109,957.86	109,054.05	903.81
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	60,173.00	(2,408.14)	57,764.86	57,764.42	0.44
Salaries of Secretaries & Clerical Assistants	7,693.00	38.33	7,731.33	7,730.88	0.45
Supplies and Materials	2,000.00	498.00	2,498.00	2,463.73	34.27
Total Undistributed Expenditures - Support Services - School Administration	69,866.00	(1,871.81)	67,994.19	67,959.03	35.16

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2018

	ACCOUNT NUMBERS	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Central Services:					
Salaries	11-000-251-100	6,060.00	(2,702.00)	3,358.00	3,115.05
Purchased Professional Services	11-000-251-330	29,600.00	3,455.00	33,055.00	33,054.60
Supplies and Materials	11-000-251-600	700.00	-	700.00	187.60
Miscellaneous Expenditures	11-000-251-890	1,700.00	-	1,700.00	1,609.40
Total Undistributed Expenditures - Central Services		38,060.00	753.00	38,813.00	37,966.65
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	11-000-261-420	25,090.00	(16,035.00)	9,055.00	9,054.54
General Supplies	11-000-261-610	9,400.00	(2,449.00)	6,951.00	6,950.07
Total Undistributed Expenditures - Required Maintenance for School Facilities		34,490.00	(18,484.00)	16,006.00	16,004.61
Undistributed Expenditures - Custodial Services:					
Salaries	11-000-262-100	88,164.00	5,011.84	93,175.84	93,175.06
Purchased Professional and Technical Services	11-000-262-300	1,000.00	(1,000.00)	-	-
Cleaning, Repair & Maintenance Services	11-000-262-420	12,000.00	(6,500.00)	5,500.00	5,291.20
Other Purchased Property Services	11-000-262-490	2,000.00	(2,000.00)	-	-
Insurance	11-000-262-520	18,800.00	-	18,800.00	18,756.76
Travel	11-000-262-580	-	400.00	400.00	400.00
Miscellaneous Purchased Services	11-000-262-590	2,000.00	(2,000.00)	-	-
General Supplies	11-000-262-610	9,600.00	-	9,600.00	9,167.59
Energy (Natural Gas)	11-000-262-621	1,800.00	4,910.00	6,710.00	6,709.93
Energy (Electricity)	11-000-262-622	38,000.00	1,934.00	39,934.00	39,866.64
Energy (Oil)	11-000-262-624	30,000.00	(24,100.00)	5,900.00	5,460.73
Other Objects	11-000-262-800	400.00	-	400.00	214.00
Total Undistributed Expenditures - Custodial Services		203,764.00	(23,344.16)	180,419.84	179,041.91
Undistributed Expenditures - Care and Upkeep of Grounds:					
General Supplies	11-000-263-610	500.00	-	500.00	374.51
Total Undistributed Expenditures - Care and Upkeep of Grounds		500.00	-	500.00	374.51
Security:					
Cleaning, Repair, and Maintenance Services	11-000-266-420	1,900.00	(1,617.00)	283.00	89.30
General Supplies	11-000-266-610	100.00	660.00	760.00	93.95
Total Security		2,000.00	(957.00)	1,043.00	183.25

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2018

	ACCOUNT NUMBERS	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Student Transportation Services:					
Other Purchased Prof. and Technical Serv.	11-000-270-390	19,100.00	3,617.00	22,717.00	22,716.66
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	-	1,000.00	1,000.00	1,000.00
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	7,600.00	(4,301.00)	3,299.00	3,218.80
Contract Services (Between Home & School) - Joint Agreement	11-000-270-513	59,000.00	52,509.00	111,509.00	111,508.45
Contract Services (Special Education) - Vendors	11-000-270-514	20,000.00	(20,000.00)	-	-
Total Undistributed Expenditures -		105,700.00	32,825.00	138,525.00	138,443.91
Student Transportation Services					81.09
Unallocated Benefits:					
Social Security Contributions	11-000-291-220	20,000.00	13,675.00	33,675.00	33,674.26
Other Retirement Contributions - PERS	11-000-291-241	20,000.00	2,822.00	22,822.00	22,554.63
Workmen's Compensation	11-000-291-260	20,000.00	(1,200.00)	18,800.00	18,780.98
Health Benefits	11-000-291-270	421,933.00	(34,518.00)	387,415.00	387,414.40
Tuition Reimbursement	11-000-291-280	14,349.76	2,000.40	16,350.16	16,280.46
Other Employee Benefits	11-000-291-290	2,600.00	4,900.00	7,500.00	7,500.00
Total Unallocated Benefits		498,882.76	(12,320.60)	486,562.16	486,204.73
Nonbudgeted:					
TPAF Pension (on-behalf)		-	-	-	168,807.00
TPAF Social Security (reimbursed)		-	-	-	66,309.46
TPAF Post Retirements		-	-	-	109,029.00
TPAF Long-Term Disability Insurance (on behalf)		-	-	-	264.00
Total Undistributed Expenditures		1,338,305.76	15,062.62	1,353,368.38	1,689,650.34
Total Expenditures - Current Expense		2,429,646.76	-	2,429,646.76	2,764,736.59
Total Expenditures		2,429,646.76	-	2,429,646.76	2,764,736.59
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)		(58,239.76)	(17,734.00)	(75,973.76)	(61,699.85)
					14,273.91

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses) Fund Balances, July 1	(58,239.76) 186,027.00	(17,734.00) -	(75,973.76) 186,027.00	(61,699.85) 186,027.00
Fund Balances, June 30	\$ 127,787.24	\$ (17,734.00)	\$ 110,053.24	\$ 124,327.15
				\$ 14,273.91

**RECAPITULATION OF BUDGET TRANSFERS**

July 25, 2017 Board Resolution Appropriating Additional Fund Balance	\$ 17,734.00
	<u>\$ 17,734.00</u>

**RECAPITULATION OF FUND BALANCE**

Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	\$ 40,000.00
Additional Assigned Fund Balance - Unreserved - Designated for	
Subsequent Year's Expenditures (July 1, 2018- August 1, 2018)	31,195.00
Year-End Encumbrances	838.38
Unassigned Fund Balance	<u>52,293.77</u>
Subtotal	124,327.15
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(86,901.00)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 37,426.15</u>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED JUNE 30, 2018

	JUNE 30, 2018			VARIANCE FINAL TO ACTUAL (OVER/ UNDER)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Revenues:					
Local Sources	\$ -	\$ 62,640.82	\$ 62,640.82	\$ 23,691.00	\$ 38,949.82
State Sources	-	-	-	-	-
Federal Sources	79,095.00	56,738.00	135,833.00	120,796.00	15,037.00
Total Revenues	79,095.00	119,378.82	198,473.82	144,487.00	53,986.82
Expenditures:					
Instruction:					
Salaries of Teachers	74,642.00	(56,637.00)	18,005.00	67,428.00	(49,423.00)
Other Salaries for Instruction	-	56,748.00	56,748.00	-	56,748.00
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	584.00	65,499.00	(65,499.00)
General Supplies	-	584.00	584.00	3,225.00	(2,641.00)
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	74,642.00	695.00	75,337.00	136,152.00	(60,815.00)
Support Services:					
Salaries of Other Professional Staff	-	3,556.00	3,556.00	-	3,556.00
Personal Services - Employee Benefits	-	8,612.00	8,612.00	4,456.00	4,156.00
Purchased Educational Services	-	1,200.00	1,200.00	1,200.00	-
Other Purchased Services (400-500 Series)	2,001.00	105,127.00	107,128.00	2,679.00	104,449.00
Transportation	-	-	-	-	-
Supplies and Materials	2,452.00	188.82	2,640.82	-	2,640.82
Other Objects	-	-	-	-	-
Total Support Services	4,453.00	118,683.82	123,136.82	8,335.00	114,801.82
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	79,095.00	119,378.82	198,473.82	144,487.00	53,986.82
Total Outflows	79,095.00	119,378.82	198,473.82	144,487.00	53,986.82
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -



**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET TO GAAP RECONCILIATION  
 YEAR ENDED JUNE 30, 2018**

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

	<b>GENERAL FUND</b>	<b>SPECIAL REVENUE FUND</b>
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 2,703,036.74	\$ 144,487.00
Difference - Budget to GAAP:		
The last state aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		
Current Year	(86,901.00)	-
Prior Year	88,669.00	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 2,704,804.74	\$ 144,487.00
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 2,764,736.59	\$ 144,487.00
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	-
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 2,764,736.59	\$ 144,487.00

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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EXHIBIT L-1

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	.00241%	.00213%	.00257%	.00230%	.00260%
School District's proportionate share of the net pension liability	\$ 560,731.00	\$ 632,125.00	\$ 576,963.00	\$ 477,500.00	\$ 501,389
School District's covered payroll	\$ 161,580.00	\$ 327,767.00	\$ 306,325.00	\$ 302,575	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	347%	193%	188%	158%	N/A
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST FIVE FISCAL YEARS**

	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 22,316.00	\$ 18,961.00	\$ 22,097.00	\$ 19,704.00	19,767
Contributions in relation to the contractually required contribution	<u>(22,316.00)</u>	<u>(18,961.00)</u>	<u>(22,097.00)</u>	<u>(19,704.00)</u>	<u>(19,767.00)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 204,303.00	\$ 161,580.00	\$ 327,767.00	\$ 306,325.00	\$ 302,575.00
Contributions as a percentage of employee payroll	10.92%	11.73%	6.74%	6.43%	6.51%

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

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ 7,447,585.00	\$ 9,073,138.00	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District			6,338,470.00	5,275,491.00	4,814,168.00
District's covered payroll	\$ 7,447,585.00	\$ 9,073,138.00	\$ 6,338,470.00	\$ 5,275,491.00	\$ 4,814,168.00
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.76%	N/A

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

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

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT BENEFITS  
(GASB 75)**

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**EXHIBIT M-1**

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)  
LAST FISCAL YEAR\***

		2018
<b>District's Total OPEB Liability</b>		
Service Cost	\$	333,268
Interest Cost		251,984
Changes of Assumptions		(1,001,935)
Contributions: Member		6,825
Gross Benefit Payments		(185,337)
Net Change in District's Total OPEB Liability		(595,195)
District's Total OPEB Liability (Beginning)		8,596,909
District's Total OPEB Liability (Ending)	\$	8,001,714
District's Covered Employee Payroll	\$	1,413,527
District's Net OPEB Liability as a Percentage of Payroll		566%

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

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

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
YEAR ENDED JUNE 30, 2018**

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.22% as of June 30, 2016, to 4.25% as of June 30, 2017.

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

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.98% as of June 30, 2016, to 5.00% as of June 30, 2017.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 2.85% as of June 30, 2016, to 3.58% as of June 30, 2017.

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**OTHER SUPPLEMENTARY INFORMATION**

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**D. School Based Budget Schedules**

Not Applicable

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**E. Special Revenue Fund**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2018**

	Title I	Title IIA	I.D.E.A.	REAP	I.D.E.A. - Preschool
<b>Revenues:</b>					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	24,267.00	3,879.00	44,449.00	18,005.00	3,556.00
<b>Total Revenues</b>	<b>\$ 24,267.00</b>	<b>\$ 3,879.00</b>	<b>\$ 44,449.00</b>	<b>\$ 18,005.00</b>	<b>\$ 3,556.00</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 22,000.00	\$ -	\$ -	\$ 18,005.00	\$ 3,556.00
Other Purchased Services (400-500 Series)	-	-	44,449	-	-
General Supplies	584.00	-	-	-	-
<b>Total Instruction</b>	<b>22,584.00</b>	<b>-</b>	<b>44,449.00</b>	<b>18,005.00</b>	<b>3,556.00</b>
<b>Support Services:</b>					
Personal Services - Employee Benefits	1,683.00	-	-	-	-
Purchased Educational Services	-	1,200.00	-	-	-
Other Purchased Services (400-500 Series)	-	2,679.00	-	-	-
<b>Total Support Services</b>	<b>1,683.00</b>	<b>3,879.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 24,267.00</b>	<b>\$ 3,879.00</b>	<b>\$ 44,449.00</b>	<b>\$ 18,005.00</b>	<b>\$ 3,556.00</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2018**

	Title I SIA	Safety Grant	Title IV	Viking Yacht	Totals
<b>Revenues:</b>					
Local Sources	\$ -	\$ 2,641.00	\$ -	\$ 21,050.00	\$ 23,691.00
Federal Sources	16,640.00	-	10,000.00	-	120,796.00
<b>Total Revenues</b>	<b>\$ 16,640.00</b>	<b>\$ 2,641.00</b>	<b>\$ 10,000.00</b>	<b>\$ 21,050.00</b>	<b>\$ 144,487.00</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 13,867.00	\$ -	\$ 10,000.00	\$ -	\$ 67,428.00
Other Purchased Services (400-500 Series)	-	-	-	21,050	65,499.00
General Supplies	-	2,641	-	-	3,225.00
<b>Total Instruction</b>	<b>13,867.00</b>	<b>2,641.00</b>	<b>10,000.00</b>	<b>21,050.00</b>	<b>136,152.00</b>
<b>Support Services:</b>					
Personal Services - Employee Benefits	2,773	-	-	-	4,456.00
Purchased Educational Services	-	-	-	-	1,200.00
Other Purchased Services (400-500 Series)	-	-	-	-	2,679.00
<b>Total Support Services</b>	<b>2,773.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,335.00</b>
<b>Total Expenditures</b>	<b>\$ 16,640.00</b>	<b>\$ 2,641.00</b>	<b>\$ 10,000.00</b>	<b>\$ 21,050.00</b>	<b>\$ 144,487.00</b>

**F. Capital Projects Fund**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2018**

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Original Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2018</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Energy Saving Improvement Plan	4/4/2017	\$ 369,000.00	\$ -	\$ 112,903.20	\$ 256,096.80
Total		\$ 369,000.00	\$ -	\$ 112,903.20	\$ 256,096.80

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGETARY BASIS  
YEAR ENDED JUNE 30, 2018**

Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	\$ 22,845.00
Construction Services	90,058.20
	112,903.20
Total Expenditures and Other Financing Uses	
	112,903.20
Excess (Deficiency) of Revenues and Other Financing Sources	
Over (Under) Expenditures and Other Financing Uses	(112,903.20)
	(112,903.20)
Fund Balance, July 1	
	369,000.00
Fund Balance, June 30	
	\$ 256,096.80



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGETARY BASIS  
ENERGY SAVING IMPROVEMENT PLAN  
YEAR ENDED JUNE 30, 2018**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Lease Proceeds	\$ 369,000.00	\$ -	\$ 369,000.00	\$ 369,000.00
Total Revenues and Other Financing Sources	369,000.00	-	369,000.00	369,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	-	22,845.00	22,845.00	22,845.00
Construction Services	-	90,058.20	90,058.20	346,155.00
Total Expenditures and Other Financing Uses	-	112,903.20	112,903.20	369,000.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 369,000.00	\$ (112,903.20)	\$ 256,096.80	\$ -

Additional Project Information:

<u>Name of Project:</u>	
<u>Energy Saving Improvement Plan</u>	
Project Numbers	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	Not Applicable
Bonds Authorized	Not Applicable
Bonds Issued	Not Applicable
Original Authorized Cost	\$ 369,000.00
Additional Authorized Cost	-
Revised Authorized Cost	369,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	June 2018
Revised Target Completion Date	June 2019

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## **H. Fiduciary Fund**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2018**

	<u>TRUST</u>		<u>AGENCY</u>		
	<u>UNEMPLOYMENT COMPENSATION</u>	<u>TRUST TOTALS</u>	<u>PAYROLL FUND</u>	<u>STUDENT ACTIVITY FUND</u>	<u>AGENCY TOTALS</u>
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 25,746.49	\$ 25,746.49	\$ 9,050.39	\$ 5,082.96	\$ 14,133.35
Total Assets	25,746.49	25,746.49	9,050.39	5,082.96	14,133.35
<b>LIABILITIES</b>					
Interfund Payable	-	-	5,960.71	-	5,960.71
Payable for Student Related Activities	-	-	-	5,082.96	5,082.96
Payroll Deductions & Withholdings	-	-	3,089.68	-	3,089.68
Total Liabilities	-	-	\$ 9,050.39	\$ 5,082.96	\$ 14,133.35
<b>NET POSITION</b>					
Restricted - Held in Trust for Unemployment Claims & Other Purposes	25,746.49	25,746.49			
Total Net Position	\$ 25,746.49	\$ 25,746.49			

**EXHIBIT H-2**

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
BINING STATEMENT OF CHANGES IN FIDUCIARY NET POST  
YEAR ENDED JUNE 30, 2018**

	<b>UNEMPLOYMENT COMPENSATION TRUST</b>	<b>TOTAL TRUST</b>
	<hr/>	<hr/>
<b>ADDITIONS</b>		
Investment Earnings:		
Interest	\$ 48.28	\$ 48.28
	<hr/>	<hr/>
Net Investment Earnings	48.28	48.28
	<hr/>	<hr/>
Total Additions	48.28	48.28
	<hr/>	<hr/>
<b>DEDUCTIONS</b>		
Unemployment Claims	400.80	400.80
	<hr/>	<hr/>
Total Deductions	400.80	400.80
	<hr/>	<hr/>
Change in Net Position	(352.52)	(352.52)
Net Position - Beginning	26,099.01	26,099.01
	<hr/>	<hr/>
Net Position - Ending	\$ 25,746.49	\$ 25,746.49
	<hr/> <hr/>	<hr/> <hr/>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
YEAR ENDED JUNE 30, 2018**

	<b>BALANCE JUNE 30, 2017</b>	<b>CASH RECEIPTS</b>	<b>CASH DISBURSEMENTS</b>	<b>BALANCE JUNE 30, 2018</b>
Elementary Schools:				
Bass River School	\$ 6,908.22	\$ 2,276.92	\$ 4,102.18	\$ 5,082.96
Total All Schools	\$ 6,908.22	\$ 2,276.92	\$ 4,102.18	\$ 5,082.96

## EXHIBIT H-4

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
YEAR ENDED JUNE 30, 2018**

	<b>BALANCE JUNE 30, 2017</b>	<b>CASH RECEIPTS</b>	<b>CASH DISBURSEMENTS</b>	<b>BALANCE JUNE 30, 2018</b>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 6,035.23	\$ 1,596,520.60	\$ 1,593,505.44	\$ 9,050.39
Total Assets	\$ 6,035.23	\$ 1,596,520.60	\$ 1,593,505.44	\$ 9,050.39
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ -	\$ 1,593,430.92	\$ 1,596,520.60	\$ 3,089.68
Interfunds Payable	6,035.23	74.52	-	5,960.71
Total Liabilities	\$ 6,035.23	\$ 1,593,505.44	\$ 1,596,520.60	\$ 9,050.39

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## **I. Long-Term Debt**

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
YEAR ENDED JUNE 30, 2018**

<b>PURPOSE</b>	<b>DATE OF LEASE</b>	<b>AMOUNT OF ORIGINAL ISSUE</b>	<b>AMOUNT OUTSTANDING JUNE 30, 2017</b>	<b>ISSUED</b>	<b>RETIRED</b>	<b>AMOUNT OUTSTANDING JUNE 30, 2018</b>
Facility Equipment	8/15/2013	\$ 80,000.00	\$ 16,458.38	\$ -	\$ 16,458.38	\$ -
Equipment & Textbook	7/2/2014	100,000.00	32,393.07	-	16,005.00	16,388.07
Security Vestibule	6/15/2015	100,000.00	60,433.82	-	19,702.00	40,731.82
Equipment	6/18/2015	80,000.00	48,650.54	-	15,866.82	32,783.72
Equipment	8/1/2016	80,000.00	63,478.00	-	14,977.34	48,500.66
Energy Savings Improvement Plan	4/4/2017	369,000.00	369,000.00	-	7,300.00	361,700.00
Total		\$ 590,413.81	\$ 590,413.81	\$ -	\$ 90,309.54	\$ 500,104.27

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**STATISTICAL SECTION (Unaudited)**

Third Section

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**Financial Trends Information**

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

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*Unaudited*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>FISCAL YEAR ENDING JUNE 30,</b>										
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 140,389.32	\$ 318,704.00	\$ 318,673.00	\$ 146,507.00	\$ 374,984.00	\$ 444,108.00	\$ 604,002.00	\$ 590,459.00	\$ 627,486.00	\$ 652,568.00
Restricted	256,096.80	-	-	10,000.00	25,689.00	99,039.00	389,561.00	319,247.00	97,712.00	105,548.00
Unrestricted (Deficit)	(590,728.74)	(510,512.00)	(536,329.00)	(329,879.00)	67,006.00	109,939.00	101,743.00	167,376.00	80,289.00	72,363.00
<b>Total Governmental Activities Net Position</b>	<b>\$ (194,242.62)</b>	<b>\$ (191,808.00)</b>	<b>\$ (217,656.00)</b>	<b>\$ (173,372.00)</b>	<b>\$ 467,679.00</b>	<b>\$ 653,086.00</b>	<b>\$ 1,095,306.00</b>	<b>\$ 1,077,082.00</b>	<b>\$ 805,487.00</b>	<b>\$ 830,479.00</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted (Deficit)	-	-	-	-	-	-	-	-	-	3,896.00
<b>Total Business-Type Activities Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,896.00</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 140,389.32	\$ 318,704.00	\$ 318,673.00	\$ 146,507.00	\$ 374,984.00	\$ 444,108.00	\$ 604,002.00	\$ 590,459.00	\$ 627,486.00	\$ 652,568.00
Restricted	256,096.80	-	-	10,000.00	25,689.00	99,039.00	389,561.00	319,247.00	97,712.00	105,548.00
Unrestricted (Deficit)	(590,728.74)	(510,512.00)	(536,329.00)	(329,879.00)	67,006.00	109,939.00	101,743.00	167,376.00	80,289.00	76,259.00
<b>Total Government-Wide Net Position</b>	<b>\$ (194,242.62)</b>	<b>\$ (191,808.00)</b>	<b>\$ (217,656.00)</b>	<b>\$ (173,372.00)</b>	<b>\$ 467,679.00</b>	<b>\$ 653,086.00</b>	<b>\$ 1,095,306.00</b>	<b>\$ 1,077,082.00</b>	<b>\$ 805,487.00</b>	<b>\$ 834,375.00</b>

Source: CAFR Schedule A-1

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>FISCAL YEAR ENDING JUNE 30,</b>										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,949,690.82	\$ 800,406.00	\$ 862,319.00	\$ 924,634.00	\$ 856,818.00	\$ 823,205.00	\$ 809,726.00	\$ 791,050.00	\$ 635,133.00	\$ 691,045.00
Special Education	452,258.45	306,383.00	295,630.00	247,650.00	274,427.00	235,803.00	140,070.00	136,446.00	160,110.00	127,023.00
Other Special Education	-	39,780.00	44,001.00	57,604.00	64,917.00	18,633.00	17,218.00	10,380.00	21,066.00	20,018.00
Other Instruction	54,522.25	21,867.00	23,746.00	19,664.00	20,404.00	20,282.00	16,772.00	9,241.00	8,924.00	9,511.00
Support Services:										
Tuition	51,659.09	45,402.00	2,822.00	2,681.00	-	37,514.00	-	-	136,317.00	105,733.00
Student & Instruction Related Services	353,046.95	273,761.00	304,051.00	329,639.00	327,533.00	328,677.00	296,627.00	247,962.00	270,743.00	331,692.00
School Administrative Services	99,025.50	68,108.00	66,317.00	64,217.00	63,377.00	62,995.00	60,790.00	58,770.00	58,038.00	25,682.00
General Administrative Services	158,906.51	146,548.00	145,591.00	135,712.00	134,008.00	138,887.00	127,099.00	129,137.00	122,600.00	116,367.00
Central Services	55,322.55	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	194,712.37	165,777.00	101,276.00	124,472.00	140,430.00	162,618.00	211,694.00	207,895.00	218,556.00	212,673.00
Pupil Transportation	184,847.46	90,283.00	84,454.00	74,716.00	105,620.00	88,854.00	90,318.00	87,340.00	109,106.00	95,473.00
Special Schools	-	-	-	-	-	-	-	-	-	8,848.00
Unallocated Employee Benefits	-	741,463.00	1,020,818.00	891,360.00	586,756.00	590,090.00	490,370.00	443,733.00	472,483.00	454,425.00
Interest on Long-Term Debt	14,588.40	9,374.00	3,870.00	-	-	187,290.00	-	-	-	-
Unallocated Adjustment to Fixed Assets	-	-	68,716.00	-	-	-	-	-	-	-
Unallocated Depreciation	-	38,772.00	49,602.00	49,880.00	59,665.00	56,598.00	86,408.00	25,765.00	49,079.00	111,399.00
Total Governmental Activities	3,568,580.36	2,747,924.00	3,073,213.00	2,922,229.00	2,633,955.00	2,751,448.00	2,347,092.00	2,147,719.00	2,262,155.00	2,309,889.00
Expenses										
Business-Type Activities:										
Food Service	-	-	-	-	-	-	-	-	70,890.00	74,831.00
Total Business-Type Activities	-	-	-	-	-	-	-	-	70,890.00	74,831.00
Expense										
Total Government-Wide Expenses	\$ 3,568,580.36	\$ 2,747,924.00	\$ 3,073,213.00	\$ 2,922,229.00	\$ 2,633,955.00	\$ 2,751,448.00	\$ 2,347,092.00	\$ 2,147,719.00	\$ 2,333,045.00	\$ 2,384,720.00
Program Revenues:										
Governmental Activities										
Operating Grants & Contributions	1,205,750	423,169.00	708,862.00	545,706.00	298,517.00	307,779.00	93,637.00	168,137.00	48,702.00	93,353.00
Total Governmental Activities	1,205,750	423,169.00	708,862.00	545,706.00	298,517.00	307,779.00	93,637.00	168,137.00	48,702.00	93,353.00
Business-Type Activities:										
Charges for Services:										
Food Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,871.00
Operating Grants & Contributions	-	-	-	-	-	-	-	-	-	17,334.00
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	38,205.00
Program Revenues										
Total District Program Revenues	\$ 1,205,750.46	\$ 423,169.00	\$ 708,862.00	\$ 545,706.00	\$ 298,517.00	\$ 307,779.00	\$ 93,637.00	\$ 168,137.00	\$ 48,702.00	\$ 131,558.00
Net (Expense)/Revenue:										
Governmental Activities	\$ (2,362,829.90)	\$ (2,324,755.00)	\$ (2,364,351.00)	\$ (2,376,523.00)	\$ (2,335,438.00)	\$ (2,443,669.00)	\$ (2,253,455.00)	\$ (1,979,582.00)	\$ (2,213,453.00)	\$ (2,216,536.00)
Business-Type Activities	-	-	-	-	-	-	-	-	(70,890.00)	(36,626.00)
Total District-Wide Net Expense	\$ (2,362,829.90)	\$ (2,324,755.00)	\$ (2,364,351.00)	\$ (2,376,523.00)	\$ (2,335,438.00)	\$ (2,443,669.00)	\$ (2,253,455.00)	\$ (1,979,582.00)	\$ (2,284,343.00)	\$ (2,253,162.00)

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FISCAL YEAR ENDING JUNE 30,										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,484,708.00	\$ 1,455,596.00	\$ 1,427,055.00	\$ 1,346,565.00	\$ 1,263,753.00	\$ 1,214,680.00	\$ 1,190,863.00	\$ 1,148,394.00	\$ 1,104,225.00	\$ 1,061,755.00
Taxes Levied for Debt Service	-	-	-	-	-	-	-	-	-	25,138.00
Federal & State Aid not restricted	875,354.00	869,142.00	852,404.00	880,075.00	874,003.00	1,037,238.00	1,046,523.00	1,013,929.00	1,048,020.00	1,181,703.00
Tuition Received	-	-	-	-	-	17,300.00	-	19,000.00	-	-
Investment Earnings	-	-	329.00	285.00	463.00	312.00	441.00	2,153.00	-	6,133.00
Miscellaneous Income	-	29,735.00	36,409.00	9,936.00	11,812.00	2,149.00	13,350.00	5,345.00	10,440.00	-
Transfers/Cancellations	333.28	-	-	-	-	-	-	-	(32,158.00)	(30,241.00)
<b>Total Governmental Activities</b>	<b>2,360,395</b>	<b>2,354,473</b>	<b>2,316,197</b>	<b>2,236,861</b>	<b>2,150,031</b>	<b>2,271,679</b>	<b>2,251,177</b>	<b>2,188,821</b>	<b>2,130,527</b>	<b>2,244,488</b>
Business-Type Activities:										
Transfers In/Out	-	-	-	-	-	-	-	-	15	67
Investment Earnings	-	-	-	-	-	-	-	(3,896)	32,158	30,241
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,896)</b>	<b>32,173</b>	<b>30,308</b>
<b>Total District-Wide</b>	<b>2,360,395</b>	<b>2,354,473</b>	<b>2,316,197</b>	<b>2,236,861</b>	<b>2,150,031</b>	<b>2,271,679</b>	<b>2,251,177</b>	<b>2,184,925</b>	<b>2,162,700</b>	<b>2,274,796</b>
Change in Net Position:										
Governmental Activities	\$ (2,434.62)	\$ 29,718.00	\$ (48,154.00)	\$ (139,662.00)	\$ (185,407.00)	\$ (171,990.00)	\$ (2,278.00)	\$ 209,239.00	\$ (82,926.00)	\$ 27,952.00
Business-Type Activities	-	-	-	-	-	-	-	(3,896.00)	(38,717.00)	(6,318.00)
<b>Total District</b>	<b>\$ (2,434.62)</b>	<b>\$ 29,718.00</b>	<b>\$ (48,154.00)</b>	<b>\$ (139,662.00)</b>	<b>\$ (185,407.00)</b>	<b>\$ (171,990.00)</b>	<b>\$ (2,278.00)</b>	<b>\$ 205,343.00</b>	<b>\$ (121,643.00)</b>	<b>\$ 21,634.00</b>

Source: CAFR Schedule A-2

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>FISCAL YEAR ENDING JUNE 30,</b>										
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319,247.00	\$ 97,712.00	\$ 105,548.00
Restricted	-	-	-	10,000.00	25,689.00	99,039.00	-	-	-	-
Assigned	37,426.15	75,974.00	55,668.00	53,518.00	51,040.00	21,270.00	-	-	-	-
Unreserved/ Unassigned	-	21,384.00	(3,539.00)	11,215.00	88,911.00	166,520.00	164,584.00	219,381.00	163,764.00	163,490.00
<b>Total General Fund</b>	<b>\$ 37,426.15</b>	<b>\$ 97,358.00</b>	<b>\$ 52,129.00</b>	<b>\$ 74,733.00</b>	<b>\$ 165,640.00</b>	<b>\$ 286,829.00</b>	<b>\$ 554,145.00</b>	<b>\$ 538,628.00</b>	<b>\$ 261,476.00</b>	<b>\$ 269,038.00</b>
All Other Governmental Funds:										
Unreserved, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	(1,106.00)
Capital Projects Fund	256,096.80	369,000.00	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 256,096.80</b>	<b>\$ 369,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,106.00)</b>

Source: CAFR Schedule B-1

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
Unaudited**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Tax Levy	\$ 1,484,708.00	\$ 1,455,596.00	\$ 1,427,055.00	\$ 1,346,565.00	\$ 1,263,753.00	\$ 1,238,974.00	\$ 1,214,680.00	\$ 1,190,865.00	\$ 1,148,394.00	\$ 1,104,225.00
Tuition Charges	-	-	-	-	-	-	-	-	19,000.00	-
Miscellaneous	24,024.28	29,735.00	36,738.00	10,221.00	12,275.00	8,830.00	22,159.00	13,791.00	7,498.00	10,440.00
State Sources	1,219,763.46	1,197,537.00	1,171,885.00	1,101,688.00	1,074,666.00	1,083,372.00	1,037,238.00	1,048,921.00	907,000.00	1,048,020.00
Federal Sources	120,796.00	94,774.00	94,704.00	94,440.00	97,854.00	91,068.00	91,239.00	165,739.00	155,631.00	93,353.00
<b>Total Revenues</b>	<b>2,849,291.74</b>	<b>2,777,642.00</b>	<b>2,730,382.00</b>	<b>2,552,914.00</b>	<b>2,448,548.00</b>	<b>2,422,244.00</b>	<b>2,365,316.00</b>	<b>2,419,314.00</b>	<b>2,237,523.00</b>	<b>2,256,038.00</b>
<b>Expenditures</b>										
Instruction:										
Regular Instruction	961,354.56	800,406.00	862,319.00	844,634.00	776,818.00	743,205.00	809,726.00	791,050.00	635,133.00	691,045.00
Special Education Instruction	222,999.83	306,383.00	316,680.00	247,650.00	274,427.00	235,803.00	140,070.00	136,446.00	160,110.00	127,023.00
Other Special Instruction	-	39,780.00	44,001.00	57,604.00	64,917.00	18,635.00	17,218.00	10,380.00	21,066.00	20,018.00
Other Instruction	26,883.86	21,867.00	23,746.00	19,664.00	20,404.00	20,282.00	16,772.00	9,241.00	8,924.00	9,511.00
Support Services:										
Tuition	51,659.09	45,402.00	2,822.00	2,681.00	-	37,514.00	-	-	136,317.00	105,733.00
Attendance & Social Work Services	16,419.33	-	-	-	-	-	-	-	-	-
Health Services	63,205.63	-	-	-	-	-	-	-	-	-
Student & Instruction Related Services	187,059.18	273,761.00	283,001.00	329,639.00	327,533.00	328,677.00	311,226.00	247,962.00	270,743.00	331,692.00
School Administrative Services	67,959.03	68,108.00	66,317.00	64,217.00	63,377.00	62,995.00	60,790.00	58,770.00	58,038.00	25,682.00
General Administration Services	109,054.05	146,548.00	145,591.00	135,712.00	134,008.00	138,887.00	127,099.00	129,137.00	122,600.00	116,367.00
Central Services	37,966.65	-	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	195,604.28	211,093.00	201,760.00	205,875.00	204,159.00	208,628.00	211,694.00	207,895.00	218,556.00	212,673.00
Pupil Transportation	138,443.91	90,283.00	84,454.00	74,716.00	105,620.00	88,854.00	90,318.00	87,340.00	109,106.00	95,473.00
Employee Benefits	830,614.19	728,782.00	712,295.00	661,429.00	591,662.00	575,080.00	490,370.00	443,733.00	472,843.00	454,425.00
Special Schools	-	-	-	-	-	-	-	-	-	8,848.00
Capital Outlay	112,903.20	80,000.00	190,000.00	80,000.00	86,812.00	311,000.00	74,516.00	20,208.00	31,649.00	52,743.00
<b>Total Expenditures</b>	<b>3,022,126.79</b>	<b>2,812,413.00</b>	<b>2,932,986.00</b>	<b>2,723,821.00</b>	<b>2,649,737.00</b>	<b>2,769,560.00</b>	<b>2,349,799.00</b>	<b>2,142,162.00</b>	<b>2,245,085.00</b>	<b>2,251,233.00</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	(34,771.00)	(202,604.00)	(170,907.00)	(2,021,189.00)	(347,316.00)	15,517.00	277,152.00	(7,562.00)	4,805.00
Other Financing Sources/(Uses):										
Capital Leases (Non-budgeted)	-	449,000.00	180,000.00	80,000.00	80,000.00	80,000.00	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	(32,518.00)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>449,000.00</b>	<b>180,000.00</b>	<b>80,000.00</b>	<b>80,000.00</b>	<b>80,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,518.00)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (172,835.05)</b>	<b>\$ 414,229.00</b>	<b>\$ (22,604.00)</b>	<b>\$ (90,907.00)</b>	<b>\$ (121,189.00)</b>	<b>\$ (267,316.00)</b>	<b>\$ 15,517.00</b>	<b>\$ 277,152.00</b>	<b>\$ (7,562.00)</b>	<b>\$ (27,713.00)</b>

Source: CAFR Schedule B-2

EXHIBIT J-5

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

Unaudited

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST	MISCELLANEOUS	TOTAL
2018	\$ -	\$ -	333.28	\$ 333.28
2017	-	299.00	6,035.00	6,334.00
2016	-	329.00	3,129.00	3,458.00
2015	-	285.00	8,201.00	8,486.00
2014	-	463.00	3,413.00	3,876.00
2013	-	-	8,830.00	8,830.00
2012	17,300.00	312.00	2,149.00	19,761.00
2011	-	441.00	13,350.00	13,791.00
2010	-	2,153.00	3,794.00	5,947.00
2009	-	8,580.00	1,860.00	10,440.00
Total	\$ 17,300.00	\$ 12,862.00	\$ 51,094.28	\$ 81,256.28

Source: District Records

**Revenue Capacity Information**

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

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

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>VACANT LAND</b>	<b>RESIDENTIAL</b>	<b>FARM REG.</b>	<b>QFARM</b>	<b>COMMERCIAL</b>	<b>INDUSTRIAL</b>	<b>APARTMENT</b>	<b>TOTAL ASSESSED VALUE</b>	<b>PUBLIC UTILITIES</b>	<b>NET VALUATION TAXABLE</b>	<b>TOTAL DIRECT SCHOOL TAX RATE</b>	<b>ACTUAL (COUNTY EQUALIZED) VALUE</b>
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	\$ 8,476,600.00	\$ 116,194,500.00	\$ 6,027,700.00	\$ 700,100.00	\$ 39,084,100.00	\$ -	\$ -	\$ 170,483,000.00	\$ 1,322,600.00	\$ 171,805,600.00	0.867	\$ 190,269,922.00
2016	8,666,300.00	117,283,100.00	5,093,100.00	707,180.00	27,354,100.00	-	-	159,103,780.00	1,041,300.00	160,145,080.00	0.883	177,090,274.00
2015	9,048,200.00	117,471,700.00	5,136,700.00	702,600.00	27,354,100.00	-	-	159,713,300.00	1,046,301.00	160,759,601.00	0.838	146,998,579.00
2014 (†)	11,631,100.00	142,805,600.00	5,791,500.00	711,600.00	27,120,500.00	-	-	188,060,300.00	1,079,636.00	189,139,936.00	0.669	201,074,666.00
2013	11,631,000.00	145,382,700.00	5,898,200.00	707,700.00	29,550,500.00	-	-	193,170,100.00	1,081,011.00	194,241,111.00	0.621	200,214,620.00
2012	11,565,700.00	146,447,200.00	6,148,600.00	562,700.00	29,554,500.00	-	-	194,278,700.00	1,109,485.00	195,388,185.00	0.637	201,671,353.00
2011	12,014,800.00	145,419,700.00	5,992,300.00	553,000.00	29,554,500.00	-	-	197,534,300.00	1,255,077.00	194,789,377.00	0.611	202,641,353.00
2010	11,725,900.00	147,096,800.00	6,195,400.00	553,000.00	32,054,500.00	-	-	197,625,600.00	1,327,381.00	198,952,981.00	0.577	187,362,785.00
2009	12,596,000.00	149,795,300.00	5,915,600.00	525,300.00	32,893,200.00	-	-	201,725,400.00	1,222,269.00	202,947,669.00	0.545	196,172,249.00

(†) - Reassessment

Source: County Abstract of Rates & Municipal Tax Assessor

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

*Unaudited*

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>SCHOOL DISTRICT DIRECT RATE</b>			<b>TOTAL DIRECT</b>	<b>TOWNSHIP OF BASS RIVER</b>	<b>OVERLAPPING RATES</b>			<b>TOTAL DIRECT AND OVERLAPPING TAX RATE</b>
	<b>BASIC RATE</b>	<b>GENERAL OBLIGATION DEBT SERVICE</b>	<b>-</b>			<b>BURLINGTON COUNTY</b>	<b>PINELANDS REGIONAL SCHOOL DISTRICT</b>	<b>N/A</b>	
2018	N/A	\$	-	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.867	-	-	0.867	0.156	0.470	0.693	2.186	2.186
2016	0.883	-	-	0.883	0.156	0.461	0.703	2.203	2.203
2015	0.838	-	-	0.838	0.131	0.419	0.648	2.036	2.036
2014 (r)	0.669	-	-	0.669	0.107	0.357	0.513	1.646	1.646
2013	0.637	-	-	0.637	0.056	0.372	0.494	1.559	1.559
2012	0.621	-	-	0.621	0.041	0.376	0.474	1.512	1.512
2011	0.611	-	-	0.611	0.042	0.394	0.479	1.526	1.526
2010	0.577	-	-	0.577	0.012	0.353	0.433	1.375	1.375
2009	0.545	-	-	0.545	0.011	0.377	0.404	1.337	1.337

(r) - Reassessment

Source: Municipal Tax Collector

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS,  
 CURRENT YEAR AND NINE YEARS AGO**  
*Unaudited*

Taxpayer	2018		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

**DATA NOT AVAILABLE**

Total	\$ -	0.000%
-------	------	--------

Taxpayer	2009		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE

**DATA NOT AVAILABLE**

Total	\$ -	-
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**Source:** Municipal Tax Assessor

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2018	\$ 1,484,708.00	\$ 1,484,708.00	100.00%	-
2017	1,455,596.00	1,455,596.00	100.00%	-
2016	1,427,055.00	1,427,055.00	100.00%	-
2015	1,346,565.00	1,346,565.00	100.00%	-
2014	1,263,753.00	1,263,753.00	100.00%	-
2013	1,238,974.00	1,135,726.00	91.67%	N/A
2012	1,214,680.00	1,214,680.00	100.00%	-
2011	2,954,269.00	2,805,337.00	94.96%	N/A
2010	2,985,799.00	2,811,748.00	94.17%	N/A
2009	2,735,750.00	2,535,476.00	92.68%	N/A

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

**Debt Capacity Information**

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

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME		PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES					
2018	\$ -	\$ 500,104.27	\$ 500,104.27		N/A	N/A	
2017	-	590,414.00	590,414.00		N/A	N/A	
2016	-	241,390.00	241,390.00	509.12%	\$	47,413.00	
2015	-	341,874.00	341,874.00	619.03%		55,227.0	
2014	-	163,277.00	163,277.00	303.79%		53,747.0	
2013	-	294,012.00	294,012.00	567.76%		51,785.0	
2012	-	-	-		N/A	51,390.0	
2011	-	-	-		N/A	49,955.0	
2010	-	-	-		N/A	48,047.0	
2009	-	-	-		N/A	47,649.0	

**Note:** Details regarding the district's outstanding debt can be found in the notes to the financial statements.  
See Exhibit J-14 for personal income and population data.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>DEDUCTIONS</b>	<b>NET GENERAL BONDED DEBT OUTSTANDING</b>	<b>PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY</b>	<b>PER CAPITA</b>
2018	\$ -	N/A	\$ -	0.00%	N/A
2017	-	-	-	0.00%	N/A
2016	-	-	-	0.00%	N/A
2015	-	-	-	0.00%	N/A
2014	-	-	-	0.00%	N/A
2013	-	-	-	0.00%	N/A
2012	-	-	-	0.00%	N/A
2011	-	-	-	0.00%	N/A
2010	-	-	-	0.00%	N/A
2009	-	-	-	0.00%	N/A

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.  
See Exhibit J-6 for property tax data.  
Population data can be found in Exhibit J-14.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF DECEMBER 31, 2017**  
**Unaudited**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$ 380,303.00	100.00%	\$ 380,303.00
Pinelands Regional School District	3,294,853.47	5.58%	183,852.82
County of Burlington	297,399,680.00	0.39%	<u>1,172,950.40</u>
Subtotal, Overlapping Debt			1,737,106.22
Local School District Direct Debt			<u>500,104.27</u>
Total Direct & Overlapping Debt			<u><u>\$ 2,237,210</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (Dollars in Thousands)  
 Unaudited

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 6,921,115.21	\$ 4,400,623.00	\$ 4,406,656.00	\$ 4,445,108.00	\$ 4,544,568.00	\$ 4,804,139.00	\$ 4,846,216.00	\$ 4,844,320.00	\$ 4,860,064.00	\$ 4,588,380.00
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 6,921,115.21	\$ 4,400,623.00	\$ 4,406,656.00	\$ 4,445,108.00	\$ 4,544,568.00	\$ 4,804,139.00	\$ 4,846,216.00	\$ 4,844,320.00	\$ 4,860,064.00	\$ 4,588,380.00
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation

Equalized Valuation Basis	
2017	\$ 167,565,654.00
2016	174,979,986.00
2015	176,538,001.00
	<u>\$ 519,083,641.00</u>
Average Equalized Valuation of Taxable Property	<u>\$ 173,027,880.33</u>
Debt Limit (4% of Average Equalization Value)	\$ 6,921,115.21
Net Bonded School Debt	-
Legal Debt Margin	<u>\$ 6,921,115.21</u>

Source: Equalized valuation bases were obtained from the Monmouth County Board of Taxation

### **Demographic and Economic Information**

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
Unaudited**

<b>YEAR</b>	<b>POPULATION (a)</b>	<b>PERSONAL INCOME (b)</b>	<b>PER CAPITA PERSONAL INCOME (c)</b>	<b>UNEMPLOYMENT RATE (d)</b>
2018	1,443	N/A	N/A	7.4%
2017	1,443	N/A	N/A	7.5%
2016	1,449	\$ 68,701,437.00	\$ 47,413.00	4.2%
2015	1,445	79,803,015.00	55,227.00	6.5%
2014	1,445	77,664,415.00	53,747.00	10.5%
2013	1,444	74,777,540.00	51,785.00	12.3%
2012	1,445	74,258,550.00	51,390.00	9.2%
2011	1,446	72,234,930.00	49,955.00	9.0%
2010	1,541	74,040,427.00	48,047.00	9.0%
2009	1,547	73,713,003.00	47,649.00	8.7%

**Source:** U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

a Population information provided by the NJ Dept of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.

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

c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development. Note that that there is recent revised data for the years 2004 through 2001 due to the new unemployment estimation procedure.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO  
 Unaudited**

2018		
EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT

**DATA NOT AVAILABLE**

Total	0	0.00%
Total Employment - (Estimated)	0	

### **Operating Information**

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

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**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular	12.25	7.25	14.0	12.0	12.0	11.0	11.5	11.4	11.4	11.4
Special Education	3	3.0	3.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0
Other Special Instruction	4.8	4.75	3.0	3.0	2.0	2.0	0.8	0.8	0.8	0.8
Support Services:										
Student & Instruction Related Services	4	2.1	2.0	3.0	3.0	3.0	3.2	3.2	3.2	4.2
General Administration	1.5	0.5	1.5	1.5	1.5	1.5	1.7	1.7	1.7	1.7
School Administrative Services	1.5	0.75	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations & Maintenance	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other Support Services	-	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Food Service:	-	-	-	-	-	-	-	-	-	1.6
<b>Total</b>	<b>29</b>	<b>21.4</b>	<b>29.0</b>	<b>29.0</b>	<b>28.0</b>	<b>27.0</b>	<b>26.7</b>	<b>25.6</b>	<b>25.6</b>	<b>28.2</b>

**Source:** District Personnel Records

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	PUPIL COST PER PUPIL CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)	AVERAGE DAILY ENROLLMENT		AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						(ADE) (c)	(ADE) (c)			
2018	110	\$ 2,764,737	\$25,133.97	-6.18%	13	1:11	110.00	103.73	7.84%	94.30%
2017	102	2,732,413	26,788.36	3.52%	17	1:6.8	102.0	96.6	-6.85%	94.71%
2016	106	2,742,986	25,877.23	7.67%	19	1:7.5	109.5	102.7	-0.54%	93.79%
2015	110	2,643,821	24,034.74	5.97%	19	1:8	110.1	109.3	1.10%	99.27%
2014	113	2,562,925	22,680.75	16.24%	18	1:6	108.9	102.9	-11.82%	94.49%
2013	126	2,458,560	19,512.38	16.63%	22	1:7	123.5	117.8	-6.30%	95.38%
2012	136	2,275,283	16,730.02	-4.60%	18	1:3	131.8	126.0	10.29%	95.60%
2011	121	2,121,954	17,536.81	-0.96%	18	1:7	119.5	113.5	-6.42%	94.98%
2010	125	2,213,436	17,707.49	1.49%	20	1:8	127.7	120.0	19.35%	93.97%
2009	126	2,198,490	17,448.33	5.17%	20	1:16	107.0	101.3	-7.76%	94.67%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

a

Operating expenditures equal total expenditures less debt service, 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).

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

<u>DISTRICT BUILDINGS</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Elementary Schools:										
Administration Offices (2008):										
Square Feet	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299
Capacity	205	205	205	205	205	205	205	205	205	205
Enrollment	110	106	110	113	113	126	136	121	119	126

Number of Schools at June 30, 2018:

- Elementary = 1
- Middle School = 0
- Other = 0

**Source:** District Facilities Office, District Records

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
 LAST TEN FISCAL YEARS  
 UNAUDITED

<u>SCHOOL FACILITIES</u>	<u>PROJECT # (s)</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Elementary Schools: Bass River Township Elementary	N/A	\$ 16,004.61	\$ 19,233.00	\$ 14,623.00	\$ 8,171.00	\$ 15,708.00	\$ 27,149.00	\$ 33,161.00	\$ 21,812.00	\$ 31,488.00	\$ 72,044.00
Grand Total		\$ 16,004.61	\$ 19,233.00	\$ 14,623.00	\$ 8,171.00	\$ 15,708.00	\$ 27,149.00	\$ 33,161.00	\$ 21,812.00	\$ 31,488.00	\$ 72,044.00

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2018  
UNAUDITED**

	COVERAGE	DEDUCTIBLE
<b>SCHOOL PACKAGE POLICY (1):</b>		
NJ School Board Association	\$ 350,000.00	
Property-Blanket Building & Contents	5,668,437.00	1,000.00
Commercial General Liability		
General Aggregate	\$ 16,000,000.00	N/A
Products & Completed Operations Aggregate	16,000,000.00	N/A
Personal & Advertising Injury	16,000,000.00	N/A
Each Occurrence	160,000,000.00	N/A
Fire Damage (Any on Fire)	16,000,000.00	N/A
Medical Expense (Any one Person)	10,000.00	N/A
Professional Liability		
Coverage A - Each Policy Period	16,000,000.00	10,000/claim
Coverage B - Each Claim	100,000.00	
Coverage C - Each Policy Period	300,000.00	10,000/claim
Comprehensive Automobile Liability		
Hired & Non Owned Only	16,000,000.00	N/A
Commercial Crime Policy		
Money-All risk In/Out	25,000.00	N/A
Public Employee Dishonesty	500,000.00	N/A
Forgery & Altercation	100,000.00	N/A
Computer Fraud	100,000.00	N/A
Computer & Scheduled Equipment		
Utica National Ins Group - Commercial Inland Marine		
Computers	185,000.00	1,000.00
Commercial Articles	Included	
Boiler & Machinery - Hartford Stm Boiler		
Boiler & Machinery	100,000.00	1,000.00
Business Interruption	Included	12 hours
Property - Blanket Building Contents	5,668,437.00	1,000.00
Commercial General Liability		
Extra Expense	10,000,000.00	1,000.00
Service Interruption	10,000,000.00	24 hours
Accident & Health		
Berkeley Accident & Health LLC		
Accident & Health	1,000,000.00	N/A
Accident & Health/Voluntary		
Retained Limit	500,000.00	N/A
Public Employee's Fidelity Bonds-		
Utica National Ins. Group		
Board Secretary	100,000.00	N/A
Treasurer of School Monies	180,000.00	N/A
Workers Compensation - NJ School Board Association		
Each Accident	2,000,000.00	N/A
Disease - Policy Limit	2,000,000.00	N/A
Disease - Each Employee	2,000,000.00	N/A

Source: District Records

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**SINGLE AUDIT SECTION**

Fourth Section

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**EXHIBIT K-1**

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

Honorable President and Members  
of the Board of Education  
Bass River Township School District  
County of Burlington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bass River Township School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 11, 2019.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of This Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Toms River, New Jersey  
February 11, 2019

**EXHIBIT K-2**

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

Honorable President and Members  
of the Board of Education  
Bass River Township School District  
County of Burlington

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

We have audited the Bass River Township School District's compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2018. The Bass River Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Bass River Township School District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major State Program

In our opinion, the Bass River Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

Management of the Bass River Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Public School Accountant, No. 2470

Toms River, New Jersey  
February 11, 2019

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2018	
										UNEARNED REVENUE	(ACCOUNTS RECEIVABLE)
U.S. Department of Education Passed Through New Jersey Department of Education: No Child Left Behind (N.C.L.B.): Title I - Part A	84.010	S010A160030	100-034-5064-194	24,267.00	7/1/17-6/30/18	\$ -	24,267.00	(24,267.00)	\$ -	\$ -	\$ -
	84.010	S010A150030	100-034-5064-194	31,677.00	7/1/17-6/30/18	-	-	(16,640.00)	-	-	(16,640.00)
	84.367	S367A160029	100-034-5063-290	3,879.00	7/1/17-6/30/18	-	3,879.00	(3,879.00)	-	-	-
Title IV Part A	84.424	S424A180031	100-034-5063-348	10,000.00	7/1/2017-6/30/18	-	10,000.00	(10,000.00)	-	-	-
	84.358	S358B160030	Not Available	18,005.00	7/1/2017-6/30/18	-	18,005.00	(18,005.00)	-	-	-
Special Education Cluster: I.D.E.A. Part B	84.027	H027A160100	100-034-5065-016	44,449.00	7/1/17-6/30/18	4,269.00	44,449.00	(44,449.00)	-	4,269.00	-
	84.173	H173A160114	100-034-5065-020	3,556.00	7/1/17-6/30/18	-	3,556.00	(3,556.00)	-	-	-
Total Special Education Cluster				48,005.00		4,269.00	48,005.00	(48,005.00)	-	4,269.00	-
<b>Total U.S. Department of Education</b>				104,156.00		4,269.00	104,156.00	(102,791.00)	-	4,269.00	(16,640.00)
<b>Total Expenditures of Federal Awards</b>						\$ 4,269.00	\$ 104,156.00	\$ (120,796.00)	\$ -	\$ 4,269.00	\$ (16,640.00)

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2018

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	UNEARNED REVENUE	BALANCE, JUNE 30, 2018		MEMO	
									(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>New Jersey Department of Education:</b>												
General Fund:												
State Aid Public:												
Special Education Categorical Aid	495-034-5120-089	\$ 67,203.00	7/1/17-6/30/18	-	\$ 67,203.00	\$ (67,203.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,720.65
Security Aid	495-034-5120-084	22,124.00	7/1/17-6/30/18	-	22,124.00	(22,124.00)	-	-	-	-	-	2,212.51
Adjustment Aid	495-034-5120-085	111,852.00	7/1/17-6/30/18	-	111,852.00	(111,852.00)	-	-	-	-	-	11,185.78
Equalization Aid	495-034-5120-078	638,484.00	7/1/17-6/30/18	-	638,484.00	(638,484.00)	-	-	-	-	-	63,851.71
PARCC Readiness Aid	495-034-5120-098	1,150.00	7/1/17-6/30/18	-	1,150.00	(1,150.00)	-	-	-	-	-	115.01
Per Pupil Growth Aid	495-034-5120-097	1,030.00	7/1/17-6/30/18	-	1,030.00	(1,030.00)	-	-	-	-	-	103.01
Professional Learning Community Aid	495-034-5120-101	1,030.00	7/1/17-6/30/18	-	1,030.00	(1,030.00)	-	-	-	-	-	103.01
Total State Aid Public		842,993.00		-	842,993.00	(842,993.00)	-	-	-	-	-	84,303.67
Transportation Aid	495-034-5120-014	25,972.00	7/1/17-6/30/18	-	25,972.00	(25,972.00)	-	-	-	-	-	2,597.33
Extraordinary Aid	495-034-5120-044	3,102.00	7/1/17-6/30/18	-	3,102.00	(3,102.00)	-	-	(3,102.00)	-	-	310.20
Additional Non-Public Transportation Aid	495-034-5120-044	6,048.00	7/1/16-6/30/17	(6,048.00)	6,048.00	-	-	-	-	-	-	-
Additional Non-Public Transportation Aid	495-034-5120-014	553.00	7/1/17-6/30/18	-	-	(553.00)	-	-	(553.00)	-	-	55.30
Lead Testing for Schools	495-034-5120-104	174.00	7/1/16-6/30/17	(174.00)	174.00	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	495-034-5120-104	966.00	7/1/17-6/30/18	-	966.00	(966.00)	-	-	-	-	-	96.60
Reimbursed TPAF Social Security Contributions	495-034-5094-003	76,859.00	7/1/16-6/30/17	(6,969.00)	6,969.00	-	-	-	-	-	-	-
TPAF - Post Retirement	495-034-5094-003	66,309.46	7/1/17-6/30/18	-	63,024.51	(66,309.46)	-	-	(3,284.95)	-	-	-
TPAF - Post Retirement	495-034-5094-001	109,029.00	7/1/17-6/30/18	-	109,029.00	(109,029.00)	-	-	-	-	-	-
TPAF - Pension	495-034-5094-002	168,807.00	7/1/17-6/30/18	-	168,807.00	(168,807.00)	-	-	-	-	-	-
TPAF - Long-Term Disability	495-034-5094-004	264.00	7/1/17-6/30/18	-	264.00	(264.00)	-	-	-	-	-	-
Insurance (Noncash Assistance)				(13,191.00)	1,224,246.51	(1,217,995.46)	-	-	(6,939.95)	-	-	86,901.00
Total General Fund		1,224,246.51		(13,191.00)	1,224,246.51	(1,217,995.46)	-	-	(6,939.95)	-	-	1,217,995.46
Total State Financial Assistance		1,224,246.51		(13,191.00)	1,224,246.51	(1,217,995.46)	-	-	(6,939.95)	-	-	1,217,995.46
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement												
Medical (Noncash Assistance)	495-034-5094-001	\$ 109,029.00	7/1/17-6/30/18	-	\$ 109,029.00	-	-	-	-	-	-	109,029.00
TPAF - Pension												
Contributions (Noncash Assistance)	495-034-5094-002	168,807.00	7/1/17-6/30/18	-	168,807.00	-	-	-	-	-	-	168,807.00
TPAF - Long-Term Disability												
Insurance (Noncash Assistance)	495-034-5094-004	264.00	7/1/17-6/30/18	-	264.00	-	-	-	-	-	-	264.00
Total State Financial Assistance Subject to Calculation for Major Program Determination												
												\$ (939,895.46)

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2018**

**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2018. 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, 2018.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2018 (Continued)**

**Note 3. Relationship to Basic Financial Statements**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,768.00 for the general fund and \$0.00 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,219,763.46	\$ 1,219,763.46
Special Revenue Fund	120,796.00	-	120,796.00
Total Awards & Financial Assistance	\$ 120,796.00	\$ 1,219,763.46	\$ 1,340,559.46

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Bass River Township School District had no loan balances outstanding at June 30, 2018.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ yes       X       no

2) Significant deficiency(ies) identified? \_\_\_\_\_ yes       X       none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes       X       no

**Federal Awards**

Internal control over major programs: SECTION IS N/A - NOT REQUIRED

1) Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no

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

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

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

Identification of major programs:

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

Dollar threshold used to determine Type A programs \_\_\_\_\_

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs	\$	<u>750,000.00</u>
Auditee qualified as low-risk auditee?	<u>X</u> yes	_____ no
Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	<u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	<u>X</u> none reported
Type of auditor's report issued on compliance for major programs		<u>Unmodified</u>

Identification of major programs:

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

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**Section II - Financial Statement Findings**

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

None.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

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

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

**FEDERAL AWARDS**

N/A Federal single audit not required

**STATE FINANCIAL ASSISTANCE**

None.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
YEAR ENDED JUNE 30, 2018**

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

Financial Statement Findings

Finding 2017-001

Condition:

During our testing of receipts in the Student Activities Fund it was noted that deposits did not contain sufficient detail and were not promptly deposited.

Current Status

This finding has been corrected.

Federal Awards

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

State Financial Assistance

Finding 2017-002

Condition:

During our testing it was noted that two out of fifteen employees did not have the proper deductions withheld from their wages in accordance with the statutory calculations.

Current Status

This finding has been corrected.